Back the Attack!

Buy Victory Bonds

Where Does Canada Rank in World Affairs? (p. 13)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

Be Sure to Read

In Your Opinion 3
Plan for Shoe Dealers 7
Ottawa Can Renegotiate 18
When Close a Mine? 22

Vol. XXXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 8, 1943 | 10c a Copy: $5.00 a Year | No. 19

The Nation's Business

Some Plain Speaking Good For War Work

The close down of the Boeing Aircraft plant at Vancouver on order of the Director-General of Aircraft Production, Department of Munitions and Supply, may be a more significant incident than yet recognized.

Here, labor difficulties in a war plant were tackled, not by the Department of Labor but by that department of government given the responsibility of producing war equipment.

As soon as the Boeing workers found the government said what it meant, and meant what it said, they very soon decided to go back to work.

Plain speaking brought the same result at the Cherrier plant of Canadian Car Munitions. When workers quit work and started demonstrating, complaining that the regional war labor board was tardy in handing down a decision on a wage increase plea, Hon. C. D. Howe promptly ordered that, failing immediate and general resumption of work, the plant would be closed. The workers went back to work.

In these two cases, Mr. Bell and Mr. Howe have cut out the double-talk. War production was promptly resumed. The grief of a strike for workers, their families, their community and the nation was minimized and this result was achieved because officials said what they meant; made it plain they meant what they said.

Indications are that this official action presages a new policy in which the Department of Munitions and Supply is going to concern itself with all major factors involved in war production—labor as well as raw materials, plant facilities and scheduling.

Such a new policy would have a great deal of logic behind it, for shortage of labor, or labor interruptions in war production, are just as important a consideration for the department of government entrusted with getting war supply as steel or electric power.

But apart altogether from the logic of such a policy, the promise is for improvement in labor affairs. Certainly it is impossible to imagine any handling of labor matters which would be weaker than that which has been displayed in some cases in the past—cases where legislation ruled the strike illegal but where officialdom negotiated with those responsible for the breach of the law. This is simply to encourage strikes; to foment labor unrest.

* * * *

NOW IS TIME TO CREATE POSTWAR JOBS

A very important contribution to the welfare of all Canadians in the months and years after the war would be made if Dominion tax authorities were to forego a few tax dollars today in lieu of greatly enlarged tax returns tomorrow.

The health of Canadian business, its capacity to give large scale and steady employment, is the key to whether or not Canada wins the peace.

To maintain the health and strength necessary for successfully meeting the challenge ahead, firms must now be carrying on advertising and company promotion work if they are to protect and maintain their position in the field, hence protect their ability to give employment and do their part in stabilizing the nation after the war.

Instead of letting business fortify itself and thus fortify every Canadian's position for the years ahead, tax authorities are discouraging business in so doing.

Officialdom says: No matter how much war has increased or changed the character of your business, we will not recognize as a legitimate cost of doing business any increase in advertising expenditures beyond 15%.

This is probably satisfactory for some big pre-war advertisers. It is discrimination so far as the small or medium pre-war advertiser is concerned.

For instance: Before the war, Hull Steel Foundries, Ltd., sold its entire output to two railroads and the mines. Because of wartime expansion, the company must plan to do four times its old amount of business in the postwar. Harold P. Coplan, president of that company said in a memorandum to The Financial Post:

"We must go to the people. The secret of survival to a great extent is advertising. Obviously we must start now to advertise in the wider field...If Ottawa holds to rulings which discriminate against the smaller manufacturer, while allowing large pre-war advertisers to continue large advertising which assures them postwar markets, a situation economically dangerous to Canada is in the making. The smaller fellow has a distinct place in our peacetime economy."

War has brought big development for many firms, formerly small. Today these firms have only one customer—war. Tomorrow, they must have scores or hundreds of customers. The way this can be done is to get the public familiar now with their names, their services or their products.

So far as the Canadian way of life, the present form of government, the future welfare of Canadians is concerned, business is the goose that lays the golden eggs.

Regulations which limit or prevent business strengthening itself now to meet the challenging national burdens of tomorrow are as shortsighted as they are dangerous.

NO ROOM FOR CONFLICT HERE

Shipbuilding has become the Number One priority in the United Nations' program. Just a few days ago, Hon. C. D. Howe indicated that shifts in all shipyards of eastern Canada would be doubled. Orders for frigates and corvettes have been increased to match the growing emphasis on escort ships.

Very disturbing, therefore, are persistent rumors of discontent and friction in Canadian shipyards. Most of these have to do with the lack of direction at the top; the conflict of jurisdiction and authority as between the Director of Ship Repairs, Director-General of Shipbuilding, and H. R. MacMillan, head of the Crown corporation responsible for building cargo ships. Of this situation, Thomas C. Steven, editor of Canadian Shipping and Marine Engineering News, said in a recent issue:

"At the present time the whole production should unquestionably be on escort and fighting ships — there will be little use of lake cargo ships if the Battle of the High Seas is not ended satisfactorily. This cannot remain a 'Battle of Politics' as has been so evident in the whole scheme of producing ships.

"It is not possible to support three 'czars' in the dominion of shipbuilding and expect to get satisfactorily co-ordinated results.

"Manufacturing plants all over the country turning out component parts are working at maximum output. Contracts were made with them for over two years output for the cargo ship program. Consequently, wnen the need becomes so evident for escort ships the manufacturing resources of all these plants must be harnessed to this effort in order that these fighting ships will not be delayed. . . . If there is pressure for manufacturing facilities for naval ship construction, then cargo ships must be relegated to second place in the building program, and for the time being this should be the logical decision.

"There is a third party who should be holding the balance between the two contending factions. Is he too busy with other important matters or asleep at the switch?"

The very suggestion that such a condition exists in what is now the most vital of all Canada's war production programs is shocking.

It is to be hoped that the appointment of a new Director-General of Shipbuilding this week will be followed by a more definite co-ordination of objectives in the government's program to meet the U-boat threat.

U.S. Policies Favorable To Business

Modified Attitude on Taxes, Profits, Disposal of War Plants Seen

Special Correspondence

WASHINGTON.—There are indications that the claims of American business for postwar consideration are beginning to receive more sympathetic consideration in high U. S. governmental quarters. The approaching 1944 election, plus the attitude of the American Congress, is tempering New Deal policies.

Here are three instances of the changing trend:

First, Senator Walter F. George, chairman of the powerful Senate Finance Committee and one of the soundest men in Congress, has gone on record that business must receive special consideration during wartime to build up reserves to meet the challenge of the postwar period.

Second. There have been discussions between American businessmen, the war and navy departments and Defense Plants Corporation looking toward the sale of government-owned war plants to private enterprise. While the National Resources Planning Board's plans for postwar development were based upon joint peacetime operation between government and private industry of wartime plants, Congress,

(Continued on page 2, col. 7)

Ontario Liberals' Choice

—Blank Stoller photo.

For the second time in 13 years Ontario Liberals last week picked a new leader. Winner on the first ballot was Harry C. Nixon, member for Brant since 1919—13 years in government, 11 in opposition. Of U.E.L. stock, 53-year-old Harry Nixon brought many a back concession vote into the Liberal fold, became perennial provincial secretary and acting premier. Highlights of his political career were his sharp break with Premier Hepburn and eventual resignation from the cabinet over the Hepburn feud with Ottawa and choice of a new leader without reference to the party. Harry Nixon is just as much pleased with the fact that he was chosen by an open vote of the party as he is with his new job.

Elson from Washington

We Become a Naval Power

By ROBERT T. ELSON
WASHINGTON

● Canada came of age as a naval power when by agreement with the U. S. she took over joint responsibility for the Atlantic merchant convoys last week. Some Canadians here closely studying U. S. preparations for maintaining her tremendous merchant marine born of war in the postwar period have wondered when Ottawa will take the next logical step and re-establish the Canadian merchant marine.

It is reported here that Canada's shipyards will gradually be shifting to production of the faster victory model of the liberty ship better suited to commercial transport. Most of these are for U. S. account but adoption of a definite shipping policy at Ottawa would make it possible to retain title of some of these ships and lease them to either the Americans or British on a bare-boat charter. If they survived the war they could become the nucleus for a postwar merchant marine.

Already in this war—both in a military way and in respect to other shipping, Canadian officials both in Ottawa and Washington have discovered what it means not to have your own ships. Canada as the fifth trading nation, with a new generation of seamen trained in the Battle of the Atlantic and as the second biggest shipbuilder has a rare opportunity to establish the Canadian ensign.

Two points are usually made when shipping men here discuss this postwar shipping problem. First they don't believe it is practical to abolish the bounties paid for merchant marines; second this war has shown payment of subsidies for establishment of an adequate merchant fleet is a good investment when you look at it from the standpoint of the national interest.

The U. S. will certainly not abandon its merchant marine after this war—and it will serve her national interest. Canada in its own interests now might do well to look to her "enlightened self-interest."

- **Our Next Step — Re-establish Merchant Marine**
- **Coal Strike Highlights U. S. Price Problems**
- **Sweden Recognizes Canada's Growing World Place**

● The United States breathes easier, the coal miners are back at work. They will stay there. Canada can breathe easier too. If there had been a national coal strike, there would probably have been a quick halt in U. S. shipments north.

Washington is still arguing whether the president or John Lewis won. Cutting through the verbosity of Mr. Lewis, who likes to talk and the politics that infiltrate most American discussion of President Roosevelt's labor policies, two things emerge:

First: Lewis couldn't afford a real showdown that would bring to a halt American war industry—he wants to live and fight another day;

Second: Eventual settlement, which will keep his men in the pits six days and thus give them substantial increases to meet living costs was already a matter of national policy. Conceding Mr. Lewis increases this way the government is only carrying out established policies.

The President's national labor policy which centres on the War Labor Board seems lightly, therefore, to be maintained. But Mr. Lewis' method of self-advertising has worked once more. He is typed as the most dangerous labor leader and a man who gets results. This helps his game.

Underlying this dispute is a far more serious problem: whether the United States piecemeal system of defense against inflation can be welded into an effective whole so that rising living costs can be stopped and some prices rolled back.

In meeting the continuing threat of higher prices and living costs the U. S. administration has handicapped itself unnecessarily by insisting industry hold the line without subsidy. Thus when the "squeeze" comes, pressure for readjustments becomes almost irresistible.

● Footnote to Canadian progress: Swedish Rikstag this week or next is expected to vote funds to raise the Consulate-General in Montreal to a legation and move it to Ottawa. This is further recognition of Canada's growing world importance.

McTague Hearing

Frankness Marks Labor Briefs

First Submissions Critical of Ottawa's Policy

By STAFF WRITER

OTTAWA.—Pent-up criticism of government labor and wage policy found expression here this week as employer and employee groups opened fire before the McTague enquiry.

As chairman of the newly constituted National War Labor Board, Mr. Justice McTague is seeking a formula for a new wartime labor "code" for Canada as well as guidance for handling the return to postwar conditions.

From the frankness and tone of early briefs, it seemed clear that Mr. Justice McTague has captured the support and co-operation of both employer and employee groups in his self-appointed task of leading Canada from the edge of a wage and labor relation crisis.

Will He Get Support?

What is still not clear is the extent to which Mr. McTague will have government and Department of Labor support in what he is trying to do.

As indicated in briefs put before him this week, there is widespread criticism and unconcealed contempt for much of present labor and wage relations policy. Ottawa is still in doubt as to how far the government is prepared to go in supporting whatever recommendations may come out of the current enquiry.

No Side-stepping

One thing, however, is certain, namely that there will be no pussyfooting and no side-stepping on the part of Mr. Justice McTague. The assurance that this is so is in large measure responsible for the wide interest and the frank expression of view which is marking the major briefs now being presented to the McTague Board.

Typical is the outspoken comment of the Trades and Labor Congress against one of their number, John McClelland, whose appointment as technical adviser to the board, the Congress now seeks to rescind, and the equally scathing comment against the Quebec Regional War Labor Board in which, it is claimed, "the workers have lost confidence" and which the Congress claims has now developed into a situation "so critical that we strongly recommend a complete change in the personnel of that board."

What Mr. Justice McTague is seeking is an all-round expression of views from all interested parties on the two main questions of labor relations and wages both in respect of "complete mobilization of the forces of industry and labor in the furtherance of the war effort" and also as regards the postwar periods. Mr. Justice McTague's personal hopes and philosophy in respect of the public enquiry were indicated in a press interview following the preliminary two-day hearings at Ottawa some weeks ago. Mr. McTague was quoted at that time as saying:

"I hope to see a more specific and definitely outlined program of labor relations. I intend to convert something that has been in the field of pious hope into reality. I want to work out a 'code' that will be practical under the emergency powers the Federal Government possesses.

"But before such a code will function, industry must look on labor with more realism, and labor groups—the A. F. of L., the C.I.O. and the Catholic Syndicates—must clean up their own grievances."

Wage Boosts Total $51 Millions According to NWLB Summary

First Report on Increases by Regional and National Boards Shows 85% of Applications Granted in Full, Only 11% Refused

By KENNETH R. WILSON

OTTAWA. — Light shone this week on a hitherto secret corner of Canada's battle against inflation—the increases in wages which have been granted by regional and national decisions of the National War Labor Board.

As a prelude to the quest for a new labor code for Canada, there was released by the National War Labor Board, meeting here this week, the first official figures yet published in Canada on the nature and extent of wage increases granted by nine provincial and one national authorities. These figures cover the period from the beginning of 1942 when the boards first started to function, to Feb. 28, 1943:

Here is the record:

21,451 cases handled and decided to Feb. 28, 1943. (No mention was made of the number of cases still pending.)

Of these cases, 32% were handled by the Ontario Board; 21% by Quebec; 16% by B.C.; 21% by the three prairie province boards; 6% by the Maritimes and 4% by the national board.

Of the applications, 83% were by employers; 6% by employees and 11% were joint. (Employee applications for cost-of-living bonus payments and wage increases covered 35% of the total workers involved.)

77% of the applications, covering 51% of the employees, were direct requests for increased remuneration.

85% of the applications were granted in toto; 4% were granted in part; 11% refused.

1,567,000 employees were affected by these decisions. Of this number, 482,000 (about 30%) were granted wage rate increases; 325,000 (about 20%) were granted payment of, or increases in, cost-of-living bonuses.

620,000 or 39.5% of the employees affected were covered as a result of decisions by the Quebec board; 519,000 or 33% were decided in Ontario and 14% by the national board.

Cumulative total increases in wage rates on a monthly basis are estimated at $4,252,000—equivalent to about $51 millions annually.

Cumulative total of applications granted for new or increased cost-of-living bonus payments estimated at about $2,351,000 monthly or about $28.2 millions a year.

Decisions of the board are estimated to have increased wage costs by approximately $79.2 millions annually as at Feb. 28 (about one fifth is estimated, unofficially, to have taken place during December, January and February, the last three months of the period).

The cost-of-living bonus granted generally to some three million

(Continued on page 2, col. 1)

Egg Rationing Seen Only Way To Meet Needs

Dealers Expect to Fall Short on Either Domestic or Export Quotas

By DONALD G. MACLEAN

Rationing of eggs is seen by some men in the produce trade as a distinct necessity if Canada is to come anywhere near meeting her commitments to the United Kingdom this year. Production is now at or near the peak and dealers state deliveries are falling short of requirements. These have been placed at 345 million dozen for the year including the 63 million dozen for the United Kingdom and about 29 million dozen for the armed forces.

In 1941 egg production was estimated at 244 million dozen; total supply, including imports, being 269 million dozen. "Domestic disappearance" was set at over 247 million dozen. In normal years Canada hardly supplied her own requirements.

Rationing of Meat

Two factors that have affected the situation recently are the announcement that meat would be rationed, with the public urged to make good the cut in meat by using eggs, and the requirements of the chick hatchery businesses which normally takes an estimated 50,000 cases of eggs or 1.5 million dozen in a normal year. This year efforts have been made in official circles to increase the number of chicks hatched and it is understood that all chick hatcheries are taxed to the utmost. Hatcheries probably will take three million dozen. This will mean fewer eggs for human consumption for some months until the new chicks start to lay.

One reason for disappointing production is said to be the feed situation. Owing to the demands of war for certain products which enter into the manufacture of concentrated foods, and the increased requirements for feeding hogs, etc., poultry raisers find considerable difficulty in getting sufficient supplies of concentrated foods. Fish oil, for instance, is stated to be almost unobtainable. This lack of concentrates has undoubtedly checked the increase in egg production which might otherwise be expected from the larger number of poultry.

Flour Mills Operate At New Peaks

By JOHN E. LANGDON

MONTREAL. — Operating seven days a week, Canadian flour mills are working men and machinery to the full in an effort to produce enough flour to meet the demand.

The situation has reached a point where employees of one large milling organization have petitioned the management to the effect that while they are willing to do all they possibly can to increase production, they must have at least two Sundays off in each month.

Another angle to the flour market is the tentative proposal that Canadian flour should be made available to Russia under the terms of Canada's new mutual aid arrangement.

Lack of Manpower

The millers are concerned about the manpower situation. The industry is not protected and there has been a drift of labor away from the mills.

This condition has hampered productive operations and in one instance a large mill has had to be closed down. Were this mill in operation, the effective capacity of the industry would be increased by 400,000 bbls. annually.

The flour supply, at least that portion of it for edible purposes, is also affected by the manufacture of a special flour to be converted into alcohol by the distillers.

Two large millers—Ogilvie and Robin Hood—are reported to be supplying this special type to the distillers at a rate which runs into several hundred thousand barrels a year.

Resumption of normal supplies of molasses would quickly result in the distillers turning away from flour, as alcohol can be made from molasses at a lower cost than from flour.

This new alcohol-flour product of the milling industry may be only a temporary arrangement or may last for the duration. As long as molasses are not available, a large amount of the industry's capacity will be diverted from making ordinary flour.

Labor Enquiry Seeks New Agreement Basis

This week there came before the National War Labor Board the first of what will be many briefs from those interested in Canada's labor situation. Aim of the enquiry, inspired by Mr. Justice McTague, NWLB chairman, is to arrive at a basis that will work toward elimination of the labor friction that has troubled Canadian business. By midweek, two of the most important briefs had been heard—the CIO's Canadian Congress of Labor and the AFL's Trades and Labor Congress of Canada. Here are digests of those briefs:

C I O Brief

Representing 175,000 workers according to their submission, the Canadian Congress of Labor, through A. R. Mosher, its president, made these points in its brief:

Industrial Disputes Investigation Act is not adaptable to settlement of disputes involving questions of union recognition and collective bargaining. Delay which the Act imposes upon a group of newly-organized workers intensifies their irritation. Requirement that a strike vote must be taken before a conciliation board can be applied for is another objectionable aspect as it makes workers "think strike."

Industrial Disputes Investigation Act should be superseded by legislation protecting workers' right to join a union and compelling employers to bargain collectively.

Efforts of employers to form company unions and interfere in this way with workers organizing in "bona fide" unions is probably one of the greatest causes of discontent among Canadian workers. Employers should be prevented by legislation from forming or associating in formation of shop councils, or other company union schemes.

Strikes can be avoided by giving the workers decent wages and working conditions, removing causes of irritation, dealing promptly with grievances. Strikes cannot be stopped by imposing penalties on strikers. Strikes would be reduced to a minimum if the Federal Government adopted a proper labor policy, and if employers made terms with their organized workers, adopting British practice of taking labor organizations for granted as an essential factor in the industrial structure.

(Continued on page 2, col. 3)

Your Victory Loan Dollar

Why Ask Mr. Small?

It's a well known fact that one of the chief aims of the Fourth Victory Loan campaign is to bring in a large number of small subscribers. The Third Victory Loan had around 2 million subscribers and the objective this time is to have 1 million of those subscribers double their purchases and then add another 1 million to make 3 million in all.

Why should there be so much emphasis on getting loan support from the small man? Here is why Mr. Small is so important:

First it's Mr. Small and his family who have the money. By far the greatest part of Canada's payroll goes to those making less than $2,500 a year and it is to this same group that most of our heavily increased wartime national income has gone. To reach the objective of $500 millions for individual subscriptions it is going to take $133 from each of those 3 million subscribers in cash and installment payments.

Second reason for Mr. Small playing such a large part in the Loan's success is to have as wide a distribution of Victory Bonds as possible. The more Canadians that hold these bonds, the easier the job will be when the time comes around to pay them off.

When a country's debt is held internally, as are Canada's Victory Loans, then payment becomes really a transfer of funds from one pocket to another—one pocket being represented by the government and the other by Canadian individuals. The money stays in the country and contributes to the general welfare and productive effort. Where the danger enters is when that debt is concentrated in the hands of a few. Under that condition the taxes and borrowings from the public at large to meet debt costs do not flow back to the general public but are dammed up in the hands of the few who have accumulated a large portion of the country's funded debt.

If old-fashioned principles of thrift still mean anything then it is a rather important fact that Canada never before has had so many people accumulating substantial personal cash reserves. The more people that have a nest egg behind them, the better off the whole country will be regardless of what postwar conditions might be.

—Travelling Companion!

The
Birkdale CRUSHER

For you men who do a lot of moving around the "Birkdale" Crusher will make a great appeal. Here is a hat which can be rolled for packing — and still stand up staunchly — a light-weight champion built to take it! In fine fur-felt the Crusher comes in attractive shades of grey, brown, blue and sand — sizes 6¾ to 7½. EATON Price, each

6.50

Main Store — Main Floor.

THE T. EATON Co LIMITED
TORONTO CANADA

The War and Business

By BRUCE MacKINNON

Near Beer

So far, the opposition of brewers to weaker beer remains intense and most would prefer to see the consumer run short on quantity than on quality. Beer is not watered down when the strength is cut; brewmasters set a "target" a little below the desired percentage, usually get approximately the right strength. At present the target is for the most part around 4½% alcohol by weight, and some of the brewers feel that they could safely shoot for 4% without causing undue damage to their product and their reputations. What they are afraid of is that Ottawa might send down a ruling cutting the strength below 4% danger line. Some U.S. areas lowered beer to 3.2% with the result that former beer drinkers are said to have turned to other and stronger beverages, not always legally obtained.

* * *

Charts Move On

The charts posted by WPTB in Winnipeg and Toronto showing the maximum retail price for each cut of meat are gradually being extended to other urban centres across the Dominion. Enforcement officers say it has proved one of their most successful price control measures. At a glance, the housewife can see exactly what she should pay for the cut she is buying, and the only major avenue for evading the ceiling is selling low-grade meat at high-grade prices—a difference usually of not more than three or four cents a pound.

Although this regional system has worked excellently for meat, it is not yet expected that it will be extended to other commodities. Major reason is the wide diversity of grade and style in manufactured goods, and the fact that many imported vegetables and fruits do not lend themselves to regional set ceilings because of the rapidly shifting pattern of transportation and hence of laid-down costs.

* * *

No Sale

Canadian war workers are evidently not movie minded; or it may be that they just like sleeping better. Whatever the cause, "swing shift" movies in Canadian cities have met with a tepid response. A recent trial at one large movie house, for example, drew seven patrons for the after midnight showing. Members of the trade state that late showings were tried because it was felt that there might be a need, but it is unlikely that they will be continued.

War workers apparently prefer to be entertained in the morning or early afternoon. Many houses have advanced their hours by one showing, starting at nine or ten, particularly in the case of moving pictures which have proved of more than average popularity, and attendance is found to be good. A number of theatres hold regular showings after midnight Sunday. These are also well attended.

* * *

Victory Fiction

Lovers of Leacock welcome the Victory Loan for an additional reason. The Sage of Mariposa has donated a series of "Sunshine Sketches" on the loan which are written with all the human sparkle that only Leacock can capture in rural Canada.

* * *

Echo of 1812

The new antitank rocket gun, nicknamed the "bazooka" by the U. S. forces using it in Tunisia, is the second rocket type to be mentioned in the war. Use of rockets from Russian planes had previously been reported but never confirmed.

Far from being a new discovery, the rocket was developed by Britain for the Napoleonic wars, was credited with Nelson's capture of Copenhagen and with the British capture of Washington during the war of 1812. (Note reference to "rocket's red glare" in the "Star Spangled Banner.") Chief advantage of the rocket was that it could hurl incendiaries and explosives, a feature which artillerists were able to duplicate toward the middle of the last century, with greater accuracy of aim and greater range of fire.

* * *

Everybody Happy

The WPTB expects everyone to be pleased with the new ruling making ration coupons cashable on Thursdays. Originally, the coupons were good on Mondays, six days before the majority of farmers were able to get to town to do their shopping.

To please the farmers, the day was switched to Saturday, which is the biggest shopping day in the urban centres, and proved a serious headache for the retailer. The new ruling gives the grocers two days to look after the needs of the townsfolk before the farmer comes in to do his shopping.

* * *

Little Salvage Here

One field in which there is little salvage work being done is in disposing of old or spoiled ration books and coupons. In a few cases rationing authorities have been able to turn the ration tickets over to salvage firms, but extreme precautions have to be taken, and most of the scrapped ration books find their way to the incinerator. Incidentally, the Bank of Canada and the chartered banks are even more cautious about spoiled or called-in banknotes. They are reported still to be burning all their old notes with none going to salvage.

More Individual Buyers Needed

Individual subscriptions to the Fourth Victory Loan are well ahead of the previous campaign but a further improvement is necessary. Total loan subscriptions at the end of eight days were $503.9 millions against $414.6 millions in the Third Victory Loan.

Of that total, the general canvass and payroll deduction plan made up $138,376,000. This was 25% ahead of the same time in the last loan. However, a 33% increase in this division is needed to reach the $500 millions objective.

OUR Fighting WORKERS
Give Wings To Victory

Workers and management, heroically speeding up the number of bombers, fighters and pursuit planes, are playing their part in the battle of production to bring victory. May the flow of war machines keep ever mounting until the United Nations have achieved victory. Through hundreds of branches across Canada the Bank of Montreal is co-operating with war-time workers and industries.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service... the Outcome of 125 Years' Successful Operation
A 171

Power Shortage Hits Paper Mills

From Our Own Correspondent

MONTREAL.—Newsprint mills in the Lake St. John area have closed down temporarily because of a shortage of electricity due to low water conditions resulting from the late spring.

Mills affected include those of Price Bros. & Co. at Kenogami, Riverbend and Jonquiere; Consolidated Paper Corp.'s plant at Port Alfred; Lake St. John Power & Paper Co.'s unit at Dolbeau.

U. S. Policies Favor Free Enterprise

(Continued from page 1)

it is believed, would back the sale of these plants to private industry.

Third. In preparing for cutbacks on war industry the War Department has let it be known that those businessmen who have good operating records both for efficiency and costs will be permitted to keep a larger percentage of profits under the "renegotiation" system that applies here. These plants also will retain contracts longer than "mushroom" operators who have been "charging the limit."

More Big Subscriptions In Fourth Victory Loan

Here is the second list of major subscriptions to the Fourth Victory Loan, as released by national headquarters of the National War Finance Committee. The Financial Post will publish further similar tabulations as they are officially released throughout the loan period. This list includes subscriptions of $500,000 and over.

Can. Pacific Railway (including $3,500,000 from Employees' Pension Fund)	$15,000,000
Canadian National Railway, including Pens. & Ins. Fund and $452,000 from Trans-Canada Air Lines	12,567,100
Canada Life Assurance	12,000,000
Prudential Ins.	10,000,000
Manufacturers Life Ins.	8,000,000
Noranda Mines Ltd. & assoc. cos.	7,050,000
Confed. Life Assoc.	6,500,000
Province of Quebec	6,000,000
New York Life Ins.	5,500,000
City of Montreal	5,000,000
North Amer. Life Assur.	5,000,000
Aluminium Ltd. & Can. subs.	4,000,000
Massey-Harris Co.	4,000,000
Steel Co. of Canada Ltd.	4,000,000
Dominion Textile Co.	3,650,000
Ontario Paper Co., Que. North Shore Paper	3,500,000
Shawinigan Water and Power & assoc. Cos.	3,500,000
Can. Inter. Paper	3,140,000
Canada Packers Ltd.	3,000,000
Hudson Bay Min. & Smelt. Co.	3,000,000
Cons. Paper Corp.	2,950,000
Canadian Car & Foundry	2,500,000
National Steel Car	3,000,000
Page-Hersey Tubes	2,100,000
City of Windsor, Ont.	2,000,000
Dom. Oilcloth & Linoleum	2,000,000
McColl Frontenac Oil Co.	2,000,000
North Amer. Cyanamid Ltd.	1,750,000
Canadian Cottons Ltd.	1,300,000
Canada Trust Co. & Huron & Erie Mtge. Corp.	1,300,000
Powell River Co, & assoc. cos.	1,287,000
Canada Cement Co.	1,750,000
Can. Celanese Ltd.	1,600,000
Can. Perm. Trust, Can. Perm. Mtge. Corp.	1,500,000
Dominion Tar & Chemical Co.	1,500,000
British Columbia Tel. Co.	1,250,000
John Labatt Ltd.	1,100,000
Borden Co.	1,000,000
Can. Steamship Lines	1,000,000
Chrysler Corp. of Canada	1,000,000
Hudson's Bay Co.	1,000,000
Loblaw Groc. Co.	1,000,000
Monarch Life Assur.	1,000,000
Montreal City & Dist. Savings Bank	1,000,000
Northern Life Assurance Co.	1,000,000
Montreal Trust Co.	1,000,000
Price Brothers & Co.	1,000,000
Spruce Falls Power & Paper Co.	1,000,000
Can. Order Foresters	800,000
Bronfman ints. & B. Aaron	2,000,000
Joseph E. Seagram & Son Ltd.	750,000
David Spencer Ltd.	750,000
Procter & Gamble of Can.	750,000
Quaker Oats Co.	750,000
Wpg. Water Dist. City Hydro & Civic Pension Fund	750,000
Can. Bank of Commerce, Pension Fund	700,000
Alberta Wheat Pool	650,000
Henry Birks & Sons and subsidiaries	650,000
Montreal Life Ins.	650,000
Metropolitan Stores	605,000
Indep. Order Foresters	620,000
Asbestos Corp.	600,000
Equitable Life Ins.	600,000
Foundation Co. of Can.	600,000
Link Mfg. Co.	550,000
Cockshutt Plow Co.	500,000
Cons. Min. & Smelt. Co., Pension Society	500,000
E. B. Eddy Co.	500,000
Montreal Cottons Ltd.	500,000
National Harbors Board	500,000
Dominion Rubber Co.	500,000
Northern Ont. Power	500,000
Bank of Nova Scotia Pension Fund	500,000
H. J. Heinz Co. of Canada	500,000
Home Insurance Co.	500,000
Penmans Ltd.	500,000
Standard Brands Ltd.	500,000
Sovereign Life Assur.	500,000
Moore Corp.	500,000
Hiram Walker, Gooderham & Worts & affiliated cos.	500,000
Hinde & Dauch Paper of Canada	500,000
Fidelity Life Assur.	150,000

FEATURES
in the May issue
THE CANADIAN CHARTERED ACCOUNTANT

Attached to the R. A. F.
General observations concerning cost investigation procedures
Taxation of corporate income by the Dominion government
"Use and Occupancy" and "Profits" insurance
Excess profits tax inventory

Published monthly. $3.00 per annum. Subscription open to all. Publication Office, 10 Adelaide Street East, Toronto.

IV

If Canada is worth living in—and if Canada is worth fighting for—then surely in this time of national peril Canada is worth lending to.

Remember—we are asked to Lend our money for the preservation of our own and our nation's freedom!

Whether Canada is the land of our birth or of our adoption, let us not fail her when she asks for our help. Let us be proud to make more and greater sacrifices to be able to buy more and more Victory Bonds.

THE EVENING TELEGRAM
Toronto Canada.

Wages Boosted $51 Millions

(Continued from page 1)

workers is said to amount to $90 millions. Added to the new NWLB wage and bonus payments this indicates that current wage and bonus payments in Canada since the imposition of the wage ceiling now total about $170 millions annually.

Importance of the information given in the first submission to be made to the McTague hearings lies in the fact that in Ottawa it is generally conceded that the wage increases which have been granted in recent months constitute the most important single threat to Canada's price ceiling.

It is known that officials of the WPTB have been worried for some time about this whole situation.

Up until now they have contended that no increase in wages may be deemed a reason for seeking price adjustments under the ceiling policy. What is feared is that before very long the lid will blow off and the board will be forced to recognize the fact that the increases in wage rates which have been granted under the ceiling policy have been so important and far-reaching as to demand some upward adjustment in prices.

Analysis of the statistical tables prepared by the NWLB explodes the generally accepted theory that the bulk of the increases have been in Ontario and British Columbia. True, the number of cases handled in these two provinces is proportionately higher than in other provinces, but the dollar total of wage increases granted (apart from living-bonus payments) shows that 33% of the increased costs are in Quebec; 26% in Ontario and 9% in B. C.

Bringing together both cost-of-living and wage rate increases on an annual basis, it is apparent that up until the end of February, 40% of the higher costs were attributable to the Quebec board; 27% to Ontario; 15% to the national board and the remainder to other provinces.

Labor Enquiry Seeks New Agreement Basis

(Continued from page 1)

Jurisdictional disputes can be settled by provision of machinery for taking a ballot under government supervision.

Strong objection taken to wage policy established by P. C. 5963 to extent it is based on the assumption there is a close and necessary connection between wages and prices. Many factors in inflationary process other than wage increases and investigation should put Board in position to determine effect of wage increases on inflation.

Cost-of-living bonus should be uniform for all workers in Canada, subject only to regional variation.

Present wide variations between wage levels in identical types of occupation are unwarranted. There should be no "low wage" areas or provinces in Canada.

Serious cause of labor dissatisfaction is lack of labor representation on government bodies.

Nothing less than protection afforded organized labor in U. S. by National Labor Relations Act should be provided in Canada. General principles of that Act are wholly applicable to Canada.

* * *

A F of L Brief

Claiming to represent 264,375 members, the Trades and Labor Congress of Canada, through its acting president, Percy R. Bengough, established this position in its brief:

Orders-in-Council should be further amended to enable every worker in the Dominion to receive full cost-of-living bonus.

Disagree with position that reasonable increases in wages automatically result in inflation of prices. National and Regional War Labor Boards should be given power to render more liberal interpretations of wage freezing order where circumstances justify and certainly where earnings are less than $25 a week or 50 cents an hour. These figures should be wage floor of workers and they should not be restricted by legislation from getting an increase over this rate.

Labor should be represented on all war boards, both administrative and advisory.

Dominion should immediately enact legislation guaranteeing right of employees to organize and bargain collectively through chosen representatives of their trade unions. An enforceable legal duty should be imposed on employers to bargain collectively with representatives of organization chosen by employees.

Only bona fide trade unions or genuine employees' organizations should be accorded benefits under any proposed collective bargaining legislation. Company unions should be denied any standing under such an act. Company unionism is a device for forestalling or undermining genuine trade union organization.

Trade unions should be freed from effect of common law doctrine of restraint of trade. This doctrine places many trade unions under civil disability. It never took root in the U. S. and was abolished by legislation in Great Britain in 1871.

Trade unions should be protected from legal proceedings which may be instituted in connection with any acts arising out of a labor dispute. Individual members themselves must accept responsibility for their acts, but trade unions may be overwhelmed by litigation which may threaten their security.

Ruling should be made whereby Regional War Labor Boards will render decisions faster. In Quebec, workers have lost confidence in the Regional Board and a complete change in personnel of that board is recommended.

Should be change in technical advisers to NWLB. The man selected to represent organized labor in this connection (John McClelland) has lost confidence of labor.

BACK THE FRONT
BUY VICTORY BONDS
THE GENERAL ACCIDENT GROUP
357 BAY ST. TORONTO, ONT.

What is the Proper Tax for Your Business to Pay?

By MOLYNEUX L. GORDON, K.C.

CONTENTS

II Planning of Business
III On Income You Don't Receive
IV Profits Should Be Timed
V Capital Gains Sometimes Taxed
VI Taxing Windfall Profits
VII Taxing Real Estate Profits
VIII Corporate Planning Cuts Taxes
IX Taxes on Subsidiary Companies
X Taxes on Personal Corporations
XI Taxation of Dividends
XII Interest and the Taxes
XIII What Does Your Salary Include?
XIV When Are Bad Debts Deductible?
XV Depreciation, Repairs, Improvements
XVI Legal, Auditing, Technical Expense
XIX Superannuation and Insurance
XX Where You Are Taxed

← *Read this partial list of contents*

THIS VALUABLE BOOKLET TELLS YOU WHETHER YOU ARE PAYING TOO LITTLE OR TOO MUCH

48 pages and cover
6" x 9"
20 chapters

Invaluable to
Proprietors
Partners
Professional men
Managers
Treasurers
Accountants
Bankers
Executors

——————*TEAR OUT AND MAIL TODAY*——————

The Financial Post, 481 University Ave., Toronto.

Limited edition. Just a few more left.
50¢ a copy, postpaid, while they last.

Please send me .... copies of "What is the Proper Tax for Your Business to Pay?" by Molyneux L. Gordon, K.C.

I enclose cheque for $...... in full payment,

NAME ....
STREET ADDRESS ....
CITY & PROVINCE ....TB

IN TORONTO
CARS and TRUCKS FOR RENT
Call
car-U-drive
100 RICHMOND STREET WEST TORONTO ONT
AD. 5733

Investor's Index

May 8, 1943

Abitibi	4	Imperial Varnish	15
Aluminium Ltd.	4	Imperial Oil	7
Assoc. Brewer.	15	Inter City Bak.	9
Boeing of Can.	3	Inter. Holdings	9
Brewers & Distil.	19	Inter. Metal	15
B. A. Oil	15	Inter. Power	15
Can. Malting	4	Kingston Apts.	17
Can. Nor. Pwr.	10	Liverp'l & Lond.	20
Can. Steamships	19	Massey-Harris.	15
Can. Car	12	Milwaukee M. 5,	15
Can. Fairbks. M.	3	Montreal Light 9,	19
Can. Ind. Alc.	9	Montreal Trams.	12
Can. Inter. Paper	10	M. & O. Paper	9
Can. Marconi	12	Nanaimo Util.	15
C. P. R.	10	National Pole	7
Chem. Research	15	N. B. Power	23
Confed. Life	23	N. S. Light	9
Colgate	5	Ont. Hydro.	23
Consol. Mining	3	Ottawa Car	10
Consol. Paper.	19	Power Corp.	16
Dom. Envelope	10	Prudential Ins.	20
Dom. Foundries	10	Quebec Pulp	19
Dom.-Scot. Inv.	12	Robert Gair	12
Dom. Steel	12	West. Can. Flour	4
Eastern Theatres	9	Western Grocers	17
Hamilton Bridge	9	Winnipeg Elec.	16
Hydro-Elec Secs.	10		

MINES AND OILS

Bico Mines	19	Harpers Malartic	14
Branca Mines 14,	22	Howe Sound	14
Bralorne Mines	14	Montbec Mines	14
Can. Malartic	14	Norwin Moly.	15
Coniaurum M.	14	Osisko Lake	19

REGULAR FEATURES

Banks	21
Bonds	5
Bond Quotations	16
Business, Week in	4
Company Reports	9, 10
Editorial	8
Farming, Business of	17
Income Tax Queries	15
Insurance	15, 20
Investment Page	15
Enquiry Letters	15
Stock Quotations	16
Mining Pages	14, 22
Mining Quotatoins	16
Oil Page	22
Oil Quotations	16
Royalty Offerings	16
Question of Week	3
Wheat Page	17

LOOK AHEAD!
-let the manufacturer rebuild your present Underwood Typewriters
NOW...

All new typewriters are now "earmarked" *exclusively* for essential services. Your present Underwoods *must* see you through!

Do as many other far-sighted typewriter-owners are doing, have your Underwoods rebuilt by the manufacturer *now*—while replacement parts are *still* available!

Underwood Elliott Fisher rebuilds Underwood Typewriters as only *the builders* can!

Working with factory skill, tools and new, genuine Underwood parts, Underwood technicians restore speed, accuracy and ease of operation—and greatly prolong the life of machines.

The cost? It's insignificant when compared to the years of good-as-new service Underwood-Elliott-Fisher rebuilding ensures. Time payments if desired. Don't delay—ask for an estimate *today!*

UNDERWOOD ELLIOTT FISHER LIMITED
Joseph L. Seitz, President
HEAD OFFICE: 135 Victoria St., Toronto, Ont.
Branches in all Canadian cities.

UNDERWOOD TYPEWRITERS — CANADA'S 7-OUT-OF-10 CHOICE

In Your Opinion—

Should Crown Property be Taxed?

The Question: In view of the wide extension of Government ownership in war industry, should the whole question of tax exemption for Crown property be reconsidered?

Lucien Borne

Mayor of Quebec City.

By virtue of the British North American Act no government property can be taxed. On the other hand, expansion of war and civil services require more immovable properties. As soon as these properties become government owned they are tax exempt. All municipal services are continued to these properties after they have been acquired by the government. It does not seem advisable at this time to amend the B.N.A. Act for the purpose of giving a fairer deal to municipalities. However, it would appear that an amount in lieu of taxes should be given as a compensation for services rendered by the local unit.

• • •

Dr. Horace L. Brittain

Director, Citizens' Research Institute of Canada, Toronto.

The old doctrine that crown property cannot be taxed is obsolete under modern conditions. When government was the personal responsibility of the King and when the organization of the nation was much more simple the doctrine was tenable.

Crown property, even before the war, had become so extensive and employed so many people that its exemption from taxation had become a real burden in many municipalities. If, say, 500 persons are employed by the post office in any city, the city has to maintain schools for their children, afford police and fire protection for their families and their property, maintain streets, parks, playgrounds, and public health departments, etc., to meet the cost of which services the city has only the taxes on the homes of employees, an amount inadequate for the purpose. If the same 500 persons were employed in a private commercial enterprise, the city would receive not only the taxes on the employees' homes, but those on the premises in which the enterprise was conducted. The taxes of the employees and the place where they work are both needed to pay related community costs.

Generally speaking, governments pay for water, light, power, telephone services, etc., whether rendered by other governing bodies or by privately-controlled companies. Sporadic instances occur of governments making payments in lieu of taxes for municipally-operated fire protection, police protection and sidewalks. Some governmental undertakings in direct competition with private business pay full local taxes. Such undertakings as government liquor stores, which are comparatively new ventures of an obviously business nature, may pay taxes. These are all concessions forced by public opinion. In time public opinion may force the adoption of the principle that all undertakings, irrespective of ownership, must pay taxes on the same basis. Either governmental services are worth something or they are not. If they are, they should be paid for. If they are not, then no one should be forced to pay taxes.

A revision of the whole policy of property tax exemption for all purposes including crown property was desirable before the war and its importance is even more evident now, when the Federal Government has direct ownership of so many establishments in war industry such as exist at present.

• • •

B. L. Clutterbuck

Reeve of Scarborough Township, on outskirts of Toronto.

Immediate review of the question of property tax exemption for Crown properties is vitally necessary to remove the hardship on municipalities affected. Taxes thereon are part of war costs and should be borne by every Canadian across Canada and not saddled entirely on citizens of any one municipality.

The influx of workers to Crown war plants increases the demand for municipal services. Educational and hospitalization costs are affected and exemption places an unfair burden on property owners already overburdened with taxes.

Payment by the Crown of realty taxes on Crown plants can be levied by the Federal Government on sources available to them, resulting in a more equitable distribution of the burden now borne by property owners. Scarboro township would welcome an immediate revision of the entire question and stresses the need for immediate action.

• • •

J. W. Cornett

Mayor of Vancouver.

Now that our governments are in business in a big way the B.N.A. Act restriction on taxation of Crown property is unfair. The Crown should pull its weight of taxation the same as private owners. Many municipalities have to levy extra taxes to make up for exemptions enjoyed by the Crown. In other words, city "X" (with exempt government property) pays extra so that city "Y" (with little or no government property) need pay less.

And I am not forgetting the argument that government property often means payrolls and business. Note that we have to provide fire, police, highway and other services to Crown property just like any other.

• • •

J. F. Gibson

Partner in the firm of Clarkson, Gordon, Dilworth & Nash, chartered accountants.

In my opinion the present system of property tax exemption for crown property should be abolished. Such property is usually so located that under other ownership municipal revenue would be substantially greater. Even if this were not so it is inequitable that the ratepayers of municipalities in which crown properties happen to be located should be called on to meet the cost of municipal services furnished. This cost should be borne by Canadian taxpayers as a whole. The extension of government ownership occasioned by war conditions has caused the question to become one of importance to many municipalities.

• • •

A. E. Hoskin, K.C.

Prominent lawyer, Winnipeg.

No. Why tax government-owned property? Governments have no revenue out of which to pay taxes except such as is provided by the citizens at large. Why run around in a circle when in the end the individual citizen (and corporation) would pay the taxes on such property just as he does now?

H. R. Jackman

Member of House of Commons for Rosedale, Toronto.

Tax exemption of Crown property is a relic of feudalism in which the principle of exemption should be observed because taxation is the power to destroy; nevertheless lesser political bodies, such as municipalities, should not be unfairly burdened. The cost of what is for the good of the whole should not be charged to one section of the community.

In some municipalities where wartime factories and housing are owned by the Crown, and, therefore, legally tax free, the financial soundness of the municipality may be seriously endangered by reason of the increased cost of servicing the Crown properties, including school rates.

I recommend that the principle of exemption be not disturbed but that the Crown should scrupulously assume its just liability through tendering the municipality a cheque for the exact amount otherwise due as taxation. I understand from casual enquiry that this method obtains in Great Britain. It is the only straightforward businesslike method.

• • •

John E. Lloyd

Mayor of Halifax.

In order to obtain a fair distribution of war costs over the whole of Canada as well as a true perspective of such costs and the removal of excessive burdens on local communities, I believe that the matter of tax exemption of government owned industries should be reviewed. The question will embrace all government exemptions and compensation for the cost of abnormal extension of facilities required by reason of the war.

• • •

Arthur J. Reaume

Mayor of Windsor.

In view of the wide extension of government ownership in war industry it is my opinion, as mayor of a city in which the government has undertaken large property extensions for industry, that the whole question of property tax exemption for crown property should be reconsidered. In Windsor the taxpayers are being forced to shoulder an extra burden occasioned by the provision of municipal services to large government-owned plants and to thousands of residents of Wartime Housing Ltd. dwellings, while these industries and tenants escape payment of their full share of the distributed cost.

• • •

H. A. Stewart

Mayor of Kingston, Ont.

Consideration must be given to an enlargement of the municipal taxation base if local governments are to continue to undertake forms of social service and extend other municipal services which are totally unrelated to property ownership or tenancy. Governmentally owned buildings require fire and police protection and other municipal services connected with property ownership. It seems only fair that the federal and provincial governments should be on the same basis as other property owners in respect to municipal taxation.

The increasing percentage of tax exempt properties is presenting a difficulty to which serious consideration must soon be given. Here in Kingston the citizens contribute toward the support of federal and provincial properties to the extent of slightly over $30,000 annually based on the present tax rate of 35 mills through the loss of taxation revenue on these buildings.

• • •

John B. Stirling

President, Canadian Construction Association.

I consider that the whole question of property tax exemption for crown property should be reconsidered. Generally speaking we are opposed in principle to tax exemption on the grounds that all industry should be obliged to stand on its own feet, particularly if competitive with private enterprise. However, due to the large government outlays for the prosecution of the war I feel that adjustments of property taxes might well be left to the end of the war, but that where local improvements are required and installed, payment in cash should be made to municipalities.

• • •

H. H. Talbot

Mayor of Leaside, Ont., thriving industrial and residential suburb of Toronto.

I would suggest that the British North America Act should be amended to permit the payment by the Crown of taxes on all war industries. The present situation is most unsatisfactory from the standpoint of municipal finance and places a great problem on the individual municipality which is properly a Dominion responsibility. To my mind the present situation has created an anomaly which was never intended in the framing of the B.N.A. Act.

• • •

J. A. Towner

Chairman, Board of Trade, Quebec.

I am of the opinion that property tax exemption for crown property should be reconsidered in all fairness to the interested municipalities and their ratepayers. In fact when the crown buys a property the cost of the municipal administration must be borne by the other property owners only and the wide extension of present day government ownership in war industries must surely cause some injustice to some ratepayers.

Dominion Rulings Apply To B. C. War Plants

Revamped Provincial Labor Laws Do Not Affect Companies Holding War Contracts, Says Coast Labor Minister

From Our Own Correspondent

VANCOUVER.—Fears that British Columbia's new labor legislation implementing the Industrial Disputes Conciliation and Arbitration Act would interfere with companies engaged in war production, notably Consolidated Mining & Smelting Company, have been largely dispelled by the admission of Hon. George S. Pearson, provincial minister of labor, that federal legislation supersedes provincial statutes.

"We may be of the opinion that our own legislation would enable us to deal more effectively and advantageously with labor disputes, but we realize that Ottawa must have full power over industries engaged in war production," says Mr. Pearson.

Thinks B. C. Best

"Personally," he added, "I think that the record might have been improved out here had the province had full control, because I believe that our own policy is the most enlightened in Canada and that it will eventually be the model for the nation; but we are not quarrelling on that point now."

Mr. Pearson was alluding to the provisions in the new amendments encouraging collective bargaining, a principle which he strongly supports.

CIO at Kimberly

Provincial legislation did not apply in the Boeing Aircraft dispute here any more than it did in connection with the various controversies in the steel shipyards in the past, and it will not apply to Consolidated Mining & Smelting Co., where the strength of the CIO was recently indicated in the vote on continuance of the co-operative committee. The co-operative committee, which has been the backbone of Smelters' labor policy in the past, was approved by a narrow margin at Trail plants, but it was voted against at the Kimberley mine.

Mining men state that one of the reasons for the opposition to the committee form of labor administration is that a large number of the men signed on by the company since the war began were engaged on the understanding that they were carrying on the work of men who had enlisted in the armed forces and that the latter would be entitled to the jobs following demobilization.

Mr. Pearson states that it is not the intention of the government to outlaw company unions.

"We were asked to eliminate company unions, but we took the ground that such a course would be undemocratic," said the minister. "We are making it our business to interfere as little as possible with private rights and private enterprise so long as labor relations are maintained on a fair and reasonable basis."

Can. Fairbanks-Morse Adds to Directorate

Directors of Canadian Fairbanks-Morse Co. were re-elected at the annual general meeting, with the addition to the board of A. E. Ashcraft, vice-president in charge of manufacturing, Fairbanks-Morse & Co., Chicago, R. H. Morris, Jr., general sales manager of the American company and C. S. Bradeen, executive vice-president of Canadian Fairbanks-Morse Co.

Reputation

★

In rendering trust services, we have built a reputation for loyalty and efficiency. Our steadfast resolve to uphold this reputation is the strongest pledge of satisfaction we can possibly give to those who plan to establish trusts, and to those who will be beneficiaries under those trusts in the years to come.

Crown Trust Company

Executors :: Trustees :: Financial Agents
80 King Street West, Toronto
HOWARD A. EATON, *Manager*

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1942), $12,389,021

"Betcha Dad worked on those engines!"

They're talking about a Flying Fortress powered by Studebaker-built Wright Cyclone engines

JUST a little while back, expert machinist John H. Williams and his two sons, Evard and John, were working together at Studebaker.

Today, they're still working together in spirit—but many miles apart.

The father is building Wright Cyclone engines for the mighty Boeing Flying Fortress in the Studebaker factory. The boys have hung up their working clothes to put on the fighting uniforms of Uncle Sam.

There are many families such as the Williams family whose names shine brightly these war days on the Studebaker roster—families that are steadfastly maintaining the great Studebaker father-and-son tradition at home or far away.

And when the fighting job is done, that tradition will be exemplified again in outstanding Studebaker motor cars and motor trucks for civilian use. The solid principles of integrity that underlie Studebaker craftsmanship will remain unchanged.

Craftsman father of craftsmen sons! John H. Williams has been with Studebaker 21 years. He is one of many Studebaker veterans whose aptitude for fine work inspired their sons to become Studebaker craftsmen, too. Studebaker employees are justifiably proud of their assignments in the arming of the United Nations.

BUY WAR SAVINGS STAMPS

STUDEBAKER

Builder of Wright Cyclone engines for the Boeing Flying Fortress, big multiple-drive military trucks and other vital war matériel

"Count Your Many Blessings"

Count your blessings,
Name them one by one;
And it will surprise you
What the Lord hath done.

THAT FAMOUS OLD HYMN . . . sung down through the years in thousands of stately churches, humble meeting-houses, tabernacles and homes . . . has a finer application today than ever.

Count your many blessings; name them one by one: the Miracle of Dunkirk . . . the Battle of Britain . . . the Heroism of Russia . . . these are the blessings that have been granted us . . . these are the blessings by which we can still listen to the laughter of children unafraid . . . still look to a sky unshadowed by Stukas . . . to the flush of dawn over an unravaged countryside . . . to the flame of sunset that heralds no menace to our nights of peace and quiet.

IN THANKFULNESS AND FAITH INVEST EVERY POSSIBLE DOLLAR IN

VICTORY BONDS

DUNLOP TIRE AND RUBBER GOODS COMPANY, LIMITED

Enjoy Yourself Over the 24th

Muskoka Beach Inn

RATES

Main Lodge $21.50 and up per person weekly.

Nautical Staterooms — $21.00 and up per person weekly.

Cabins and Outside Lodges $28.00 and up per person weekly.

Muskoka Beach Inn on the shores of Lake Muskoka provides accommodation to suit every taste and pocketbook. Here is every facility for recreation and relaxation.

Muskoka Beach Inn is situated only 3 miles from Gravenhurst . . . 100 miles north of Toronto via No. 11 Highway.

Rail Service. C.N.R. to Gravenhurst.

Bus Service. Gray Coach Line to Gravenhurst.

Taxi three miles to Muskoka Beach Inn.

Write for illustrated folder or apply to your nearest travel agency.

WRITE Phone Gravenhurst 29 WIRE

Muskoka Beach Inn

MUSKOKA BEACH, ONT.

Canada Malting Co.'s operations in the first quarter of 1943 continued at capacity as was the case throughout 1942, H. C. Hatch, vice-president, told shareholders at the recent annual meeting. Directors were re-elected and reports adopted.

Financial Statement and Directors' Report

Western Grocers Limited

At the Annual General Meeting of the Shareholders of Western Grocers Limited, held at the Head Office of the Company, the Directors' Report, Balance Sheet, Statements of Profit and Surplus and the Auditors' Report for the year ended December 31st, 1942, were presented and adopted.

The Directors, W. P. Riley, H. C. McWilliams, H. W. Hutchinson, F. O. Fowler, and R. C. Riley were re-elected, and at a meeting of the Board following the Shareholders' Meeting, the officers of the Company were re-elected.

The Directors' Report follows:

REPORT TO SHAREHOLDERS

Herein your Directors present the Thirtieth Annual Report for the fiscal year ended 31st December, 1942, together with a Balance Sheet showing the financial condition of the Company at the close of the year, a Statement of Earned Surplus and Profit, also the Auditors' Report.

STATEMENT OF PROFIT FOR YEAR ENDED 31st DECEMBER, 1942, AND OF EARNED SURPLUS ACCOUNT

Profit for the Year before taking into account the undermentioned items		$ 565,719.65
Additions:		
Dividends from Subsidiary Companies		238,572.00
		$ 804,291.65
Deductions:		
Depreciation	$ 29,305.80	
Directors' Fees	3,000.00	
Executive Officers' Remuneration	168,721.08	
Legal Fees	2,080.50	
Merchandise Inventory Reserve	44,346.82	
Provision for Income and Excess Profits Taxes	145,000.00	392,454.20
Net Profit for Year transferred to Earned Surplus		$ 411,837.45
Earned Surplus at 31st December, 1941		996,597.65
Add Adjustment of Profits for prior years		11,850.00
		$1,420,285.10
Deduct Dividends:		
Preference Shares:		
Four at 1¾%, being 7% per annum to 31st December, 1942	$ 83,601.00	
Common Shares:		
Four at 75 cents per share and one (extra) at $2.00 per share	84,715.00	168,316.00
Earned Surplus at 31st December, 1942		$1,251,969.10

The outcome of the first year of operating under price ceilings shows a lessened percentage of gross profit, as was to be expected. However, that was more than offset by a greater consumer demand and your Company's sales volume, both in dollars and in tonnage, exceeded that of the previous period.

The definite improvement in farm income and that of consumers generally had another result, more prompt payment of accounts all along the line. At the year end, the number of days sales carried on the books, as customers' receivables, was very low.

Towards the end of October, your Company purchased some merchandise and some book accounts of another wholesaler at Brandon, Winnipeg, and Fort William. Such assets at Brandon and Winnipeg were merged with those of your company's existing branches at these places.

At Fort William a new subsidiary was formed to operate there under the name "Gateway Grocers Limited." The wholesaler's building at Fort William was also purchased, but no real estate was included in the arrangements at Brandon and at Winnipeg.

In sales and net results, the trading experience of your Company's subsidiaries, Dominion Fruit Limited, H. H. Cooper Limited, the W. H. Malkin Company Limited, was similar to that of the parent company. Each earned net profits, as did also the new subsidiary, Gateway Grocers Limited.

However, in accordance with company policy, and as stated in the Auditors' Report appended, the net profits of the subsidiary companies have not been brought into the accounts of the parent company, and are not reflected therein in any way, except as to dividends actually received by your company.

It is with regret that we report the death during the year, of Mr. W. H. McWilliams, who had been a director of your Company since January, 1914. A man of broad experience in the business world, with many interests, his wide knowledge and wise counsel was of great value in the direction of your affairs. Mr. W. H. McWilliams' place on the Board was filled by the election of his son, Mr. Harry C. McWilliams.

BALANCE SHEET AS AT 31st DECEMBER, 1942

ASSETS

Current Assets			$3,037,017.54
Cash on Hand and in Banks		$ 84,280.47	
Customers' Accounts Receivable, after providing for possible losses		674,632.18	
Advances on Merchandise and Sundry Debtors		55,712.34	
Customs Deposits		5,051.25	
Merchandise—per Inventories—as determined and certified by the Management, on basis of cost or market, whichever was lower		2,217,341.30	
		$3,037,017.54	
Prepaid Expenses			7,153.76
Refundable Portion of Excess Profits Tax			4,000.00
Investments in and Advances to Subsidiary Companies			1,401,955.88
Investments—at cost		$1,378,387.35	
Advances		23,568.53	
		$1,401,955.88	
Other Investments			1,600.00
Fixed Assets			764,642.74
Real Estate and Buildings—at cost less depreciation and less amounts written off		$ 747,822.44	
Plant and Equipment—at cost less depreciation		16,820.30	
		$ 764,642.74	
			$5,216,369.92

LIABILITIES

Current Liabilities to Public			$1,315,198.36
Accounts and Bills Payable		$1,172,581.78	
Provision for Income and Excess Profits Taxes (after deducting prepayments)		106,250.67	
Dividends payable 15th January, 1943		33,607.50	
On Preferred Shares	$20,900.25		
On Common Shares	12,707.25		
	$33,607.50		
Dividends previously declared and still unclaimed		2,758.41	
		$1,315,198.36	
Advances From Subsidiary Companies			283,692.90
			$1,598,891.26
Reserves			144,346.82
Reserve for Contingencies		$ 100,000.00	
Merchandise Inventory Reserve		44,346.82	
		$ 144,346.82	
Capital Stock			2,217,162.74
Authorized:			
7% Cumulative Preference Shares of $100.00 each—25,000 Shares		$2,500,000.00	
Common Shares of No Par Value—30,000 Shares			
Issued and Outstanding:			
7% Cumulative Preference Shares—11,943 Shares		$1,194,300.00	
Common Shares of No Par Value—16,943 Shares		1,022,862.74	
		$2,217,162.74	
Earned Surplus			1,251,969.10
Deferred Surplus — Refundable Portion of Excess Profits Tax			4,000.00
			$5,216,369.92

Approved on behalf of the board.
FRANK O. FOWLER, H. W. HUTCHINSON } Directors.

Contingent Liabilities Reported:
Guarantee of a Subsidiary's bank indebtedness for a maximum amount of $200,000.00.

Auditors' Report to the Shareholders:

We have made an examination of the books and accounts of Western Grocers Limited, for the year ended 31st December, 1942, and have prepared therefrom the accompanying Balance Sheet. We have also examined the books and accounts of Dominion Fruit Limited, H. H. Cooper Limited, and Gateway Grocers Limited, subsidiary companies, and have inspected the financial statements of your subsidiary, The W. H. Malkin Company Limited, certified by their Auditor. In accordance with Section 114 of the Dominion Companies Act, we report that the accompanying Balance Sheet does not set forth the assets and liabilities of the subsidiary companies, and that the Statement of Profits does not include the operating profits of the subsidiary companies, except as to dividends actually received therefrom in 1942.

With this report, we are of the opinion that the Balance Sheet submitted herewith, exhibits a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the books. We have obtained all information and explanations required by us.

(Signed) SHARP, WOODLEY & COMPANY,
Chartered Accountants, Auditors.

HEAD OFFICE—WINNIPEG, MANITOBA

BRANCHES

Calgary, Edmonton and Lethbridge in Alberta
Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon and Yorkton in Saskatchewan
Brandon, Dauphin, Flin Flon, The Pas and Winnipeg in Manitoba
Fort Frances, Kenora and Port Arthur in Ontario

May Dividends Alter Year's Down Trend

Dividends scheduled for payment by Canadian companies and those in which there is substantial Canadian interest in May this year are going to be well ahead of those for the corresponding month last year, The Financial Post estimates. Based on declarations available, the May total for 1943 will be $7.7 millions compared with $6.4 millions a year ago, or a gain of 20%.

This improvement still leaves the cumulative total for the first five months this year about $4.0 millions less than last year. Each previous month this year showed declines.

The gain in May is accounted for largely by a number of initial payments, payments on arrears and extras. Largest single item is the $5 a share extra being paid by International Metal Industries, eliminating remaining balance of arrears on its two classes of preferred stock. Another comparatively large share of this year's gain comes from the initial payment of $1.25 a share on the new preferred stock of Aluminum Co. of Canada.

Extras are being paid this month by Brewers & Distillers with 10 cents a share, Canadian Investors with five cents and St. Lawrence Flour with 50 cents. McMarmac Red Lake is also making its initial dividend payment with four cents a share on its common.

Dominion Engineering has cleared up its tax situation and resumed payment of dividends. A $2 a share payment is being disbursed, first payment since 50 cents a share in Jan., 1938. Pressed Metals is paying 25 cents a share, first payment since the same amount was distributed in Sept., 1941.

General Steel Wares is paying a participating dividend of 38 cents a share on its preferred stock. Federal Grain is paying $2 a share on its preferred.

Monthly Dividends

	1943	1942
January	$20,222,823	$22,952,057
February	9,688,637	10,016,154
March	26,372,190	27,730,638
April	20,362,954	21,221,615
May	7,680,146	6,357,276
Total	84,326,750	88,277,740

Industrials, Utilities

Company:	Rate $	Date	Amount $
Acme Glove, pffd.	‡3.25	17	22,356
Aluminum of Can., pf.	▪1.25q	1	187,500
Anglo Can. Tel., pfd.	.68¾q	1	56,787
Atlas Steels, com.	.15q	1	25,032
Ault & Wiborg, pf.	1.37½q	1	6,182
Blue Ribbon, pref.	.62½q	1	18,656
Brewers & Distillers	.50a	20	288,869
Do., bonus	.10	20	57,773
Brit. Col. Tel., 2nd pf.	1.50q	1	67,500
Caldwell Linen, pfd.	.37q	1	5,550
Do., 2nd pref.	.20q	1	5,000
Calgary Power, pf.	1.50q	1	88,500
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Can. Dredge & D.	1	1	94,775
Chase, A. W., pfd.	.50q	10	4,375
Coast Breweries	.03q	1	54,094
Consumers Glass	.50q	31	159,785
Cosmos Imperial Mills	.30q	15	30,000
Crown Cork	.50q	15	50,000
Distillers Seag., p.	†1.25q	1	105,041
Dominion Bridge	.30	25	154,185
Dom. Engineering	2	15	250,000
Dom. Fabrics	.20	1	14,000
Do., pref.	.75q	1	13,500
Do., 2nd pref.	.37½q	1	7,500
Dominion Tar, pref.	1.37½q	1	69,231
Famous Players	.25	1	107,631
Federal Grain, pf.	▴2	1	60,000
General Stl. Wares, p.	1.75q	24	78,750
Do., participating	.38	24	17,100
Gordon & Belyea, A c	*2	1	4,400
Do., (B) com.	*.40	1	370
Inter. Metal, p., & A p.	1.50	1	67,807
Do., arrears	‡5	1	226,025
Inter. Utilities, pfd.	†.87½q	1	86,596
Neon Pr. W. Can., p.	1.50s	1	5,400
Ont. Steel Prod.	.25	15	12,100
Do., pref.	1.75q	15	6,304
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Pressed Metals	†.25	15	67,142
Quebec Power	.25q	25	138,299
Rolland Paper, c.	.15q	15	9,000
Saguenay Pwr., p.	1.37½q	1	68,750
Shawinigan W. & Pr.	.22q	25	479,215
Sher. Williams, c.	.15q	1	30,000
Simpsons, pref.	1.62½q	1	182,812
South Can. Power, c.	.20q	15	80,000
St. Law. Flour	.35q	1	12,600
Do., extra	.50	1	18,000
Do., pref.	1.75q	1	10,063
Steel of Canada	.75q	1	345,000
Do., pref.	.75q	1	194,889
United Steel, pfd.	.75s	1	17,068
Western Breweries	.15	15	36,717
Westminster Paper	.25s	1	11,947
Weston, Geo., pfd.	1.25q	1	21,875
Wood, A. & J., pfd.	1.75q	1	11,735
Zellers	.20q	1	25,000
Do., pref.	.37½q	1	11,250
Total			4,473,924
Mining Companies			
Broulan Porcupine	.03	31	80,820
Delnite Mines	*.03	31	89,363
Hedley Mascot	.02q	15	45,282
Hollinger Cons.	.05	20	246,000
Inter. Nickel, pref.	1.75q	1	483,486
Island Mountain	.02	25	52,536
Kirkland Lake	.02	4	106,533
Leitch Gold	.02q	15	57,000
Madsen Red Lake	.03	20	104,985
McMarmac R. Lake	▪.04	10	82,000
Pato Cons. Gold	*.15	31	480,000
Powell Rouyn	.02	15	25,000
Privateer Mine	.02	10	49,081
Proprietary M.	.05	6	45,974
Toburn Gold	.01	22	18,500
Upper Canada	*.02‡	29	79,075
Total			2,040,635
Oil Companies			
Anglo-Candn. Oil	.04	15	90,000
Canadian Oil, c.	.25q	15	35,941
Total			125,941
Financial			
Can. Bk. Commerce	1.50q	1	450,000
Can. For. Invest., c.	.70	1	51,391
Can. Insur. shs.	1a	11	40,238
Can. Investors	.10q	1	10,000
Do., extra	.05	1	5,000
Can. Inv. Fd. sp. ord.	.04q	1	98,932
Dominion Bank	2q	1	140,000
Imperial Bank	2q	1	140,000
Royal Trust	.80q	1	80,000
Sherbrooke Trust	1.50q	1	4,500
United Corp. "A"	.37q	15	19,385
Total			1,039,646
Grand total			7,680,146

q Quarterly. s Semi-annually. a Annually. ▴ Arrears. * Interim. ▪ Initial. † N. Y. funds. ‡ Arrears eliminated with this payment.

ALUMINIUM EXECUTIVE

J. A. Dullea, of Montreal, who has been elected a director and vice-president of Aluminium Ltd.

U. S. Woodpulp Stocks Record Further Decline

Stocks of purchased woodpulp in the United States as reported to the American Paper & Pulp Association for April 1 showed a continuation of the decline which has been evident since the first of the year.

Total stocks on April 1 amounted to approximately 189,000 tons, a decrease of 16,000 tons from the March figure of 205,000 tons and a total decrease since January 1, 1943, of 43,000 tons.

The Week in Business

Under normal conditions for the government to borrow anything like as great a proportion of the current national income as is now being done through the Fourth Victory Loan would mean a temporary but marked slowing up of ordinary business. But this is not the case today when the government itself is the buyer for more than half of all the goods produced in Canada.

Of greater importance to the business outlook are changing pattern of war orders, continued evidence of an upward trend in wage costs, and difficulties faced by agriculture. None of these factors promises to do more than maintain prevailing pace of industry, nearing as it is a maximum established by plant, material and labor capacity.

Dividend payment index computed by Nesbitt, Thomson & Co. shows a fractional decline for April this year but holds 1% above a year ago. The last seven months have each shown declines in this index.

Iron and steel output in March showed further recovery from the strike interruption earlier this year. Pig iron output in March was 160,101 tons against 167,116 tons in the corresponding month last year. For steel ingots and castings comparative figures are 270,962 tons this year against 265,903 tons a year ago. Cumulative total is down 12.6% for pig iron and 5.7% for steel this year.

Contracts awarded in April at $16 millions were down $6.5 millions from a year ago. The cumulative total for 1943 is down 9.5%.

	Apr.	Mar.	Feb.	Jan.	Year Ago
Financial Post Production Index	....	253.4	252.0	239.0	206.9
National income D.B.S. (c)	....	....	....	693	560
Dom. war expend. (million $)	....	....	199.6	185.0	132.5
Dom. total revenue (do.)	....	....	169.4	216.8	111.1
Dom. total expend. (do.)	....	....	228.1	233.2	163.2
▪Dept. store sales index no.	....	164.4	154.5	147.8	156.9
Retail sales index no.	....	....	169.1	155.8	154.7
Wholesale sales index no.	....	....	145.9	139.9	136.1
▪Country store (% change pr. yr.)	....	+13.0	+16.4	+7.9	+13.8
▪Divd. payment index♦	122.0	122.1	122.3	122.5	121.0
Bank deposits (1935-39=100)	....	151.7	150.0	157.0	163.4
▪Cash and cheque pay. index	....	161.9	149.2	155.3	163.1
▪Bank debits (1935-39=100)	....	158.7	152.1	148.3	165.2
▪Money supply (c)	....	4,244	4,182	4,344	3,712
NEWSPRINT % OF CAPACITY—					
Production ratio	....	64.2	64.9	65.6	79.9
Shipment ratio	....	64.6	65.1	60.4	83.2
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	....	175.5	155.1	169.3
Cars (D.B.S. index)	....	....	139.7	130.5	140.4
COST OF LIVING—					
▪D.B.S. index	117.6	117.2	116.9	117.1	115.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	....	181.2	183.7	165.4
Manufacturing	....	....	222.1	219.6	191.2
Payrolls (June 1/41=100) (b)	....	....	139.5	131.9	118.5
Payroll index (a) (1937=100)	....	....	214	216	178

	1943	1942	1943	1942	Change
RAILWAYS—					
▪Carloadings (week Apr. 24)	60,647	63,802	1,034,249	1,045,297	—1.0
▪C.P.R. gross (week Apr. 30)	$ 7,955,000	6,837,000	87,328,000	78,266,000	+11.5
C.N.R. gross rev. ... (Mar.)	$ 36,100,000	28,706,000	95,702,000	79,623,000	+20.2
C.N.R. net rev. ... (Mar.)	$ 7,884,676	6,423,448	17,480,001	15,225,000	+14.8
▪C.P.R. gross rev. .. (Mar.)	$ 24,041,211	20,746,457	63,282,657	57,644,844	+9.7
▪C.P.R. net rev. ..... (Mar.)	$ 3,617,419	3,785,935	8,677,442	9,984,011	—13.1
IRON AND STEEL—March)—					
▪Pig iron production (tons)	160,101	167,116	414,668	474,245	—12.6
▪Steel production ... (tons)	270,962	265,903	723,558	767,840	—5.7
CONSTRUCTION—					
▪Contracts awarded (Apr.)	$ 16,047,300	22,512,100	58,161,200	64,295,600	—9.5
Building permits ... (Mar.)	4,934,580	6,972,481	10,899,375	17,810,943	—38.8
Cement prod., bbls. (Jan.)	294,135	283,395	....	....	+3.8
AGRICULTURE—					
Flour prod., bbls. .. (Feb.)	1,990,732	1,584,978	3,953,774	3,140,828	+25.8
Cattle sales▴ ...... (Mar.)	95,620	93,089	229,574	280,226	—18.0
Hog sales▴ .... (Mar.)	612,905	507,007	1,623,510	1,594,945	+1.8
SEA FISHERIES—‡					
Catch cwts. .... (Jan.)	447,600	771,200	....	....	—42.0
Landed value ...... (Jan.)	743,600	917,400	....	....	—18.9
NEWSPRINT—					
Production, tons ... (Mar.)	246,855	295,835	702,206	885,840	—20.7
Exports, tons ...... (Mar.)	232,385	289,463	639,764	812,893	—21.3
MINING AND OILS—					
Coal prod., tons ... (Feb.)	1,358,832	1,712,014	3,101,088	3,631,278	—14.6
Gold rec., fine oz. . (Mar.)	279,282	377,109	963,137	1,164,622	—17.3
Petroleum prod., brl. (Jan.)	860,790	875,659	....	....	—1.5
ELECTRIC POWER OUTPUT—(March)—					
▪Total monthly, 1,000 kw.h.'s	3,329,266	3,220,953	9,498,451	9,311,680	+2.0
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (Feb.)	2,825,933	2,626,084	5,438,191	5,090,031	+6.8
Cotton consump., lb. (Mar.)	18,186,405	16,192,378	48,687,511	49,728,082	—2.1
Cigarette cons., No.† (Mar.)	1,038,975	785,808	2,872,217	2,309,278	+24.3
FINANCE—					
▪Bank debits† ...... (Mar.)	$ 4,011,883	4,176,830	11,623,354	10,300,483	+12.8
Bond sales† .... (Mar.)	$ 378,948	1,088,280	1,113,282	1,279,470	—12.9
Life insurance sales (Mar.)	$ 46,730,000	35,876,000	127,570,000	118,314,000	+7.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. †000 omitted. ▪Millions of dollars.
♦Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

The Shareholder

Latest word regarding the hearing before the Privy Council of the Abitibi Power & Paper appeal is that the case should come up some time this month, perhaps within the next couple of weeks. There has been more delay than had originally been expected due to wartime conditions.

While there is nothing further to announce regarding the prospective payment on the company's bonds, it is understood that this is still coming and that something definite should be known before long. Early reports suggested that another 10% would be distributed but whether this will be the final figure accepted by the courts cannot yet be determined. Previous payments on these bonds have totalled 23%, all applying toward reduction of principal.

* * *

Western Canada Flour Mills has been attracting much attention in stock market circles in recent months. The preferred has appreciated from a low of $18 a share in Feb., 1942, to a current level of around $84 a share while the common has moved up from $1 to $5.

It does not appear that there is enough in the earnings picture of the company to account for this change in price. Company officials tell The Financial Post that profits for the current year are likely to be at least as good and perhaps somewhat better than for last year when the company earned $8.98 a share on its preferred.

It is known that there has been considerable discussion of a possible scheme for settling preferred arrears which amounted to $53.62½ last September but whether or not any action is in immediate prospect cannot be determined. It is thought that interest in this company is to some extent sympathetic with action taken by other companies to arrange settlement of arrears of dividends or interest.

Score a hit on your next duplicating job. Load up with Script Mimeo Bond. There's less chance of clogging and plucking when you use this fine mimeographing stock. Its fuzz-free surface forestalls trouble, saves time, temper and paper. You'll score a non-stop record with popular Script Mimeo Bond. Take your choice of white, blue, green, buff or pink at leading dealers everywhere.

FOR A NON-STOP RUN, PUT IT ON

Script mimeo BOND

A PROVINCIAL PAPER

name an experienced executor

SHRINKAGE DOES OCCUR IN MANY ESTATES AND BENEFITS TO THE HEIRS ARE REDUCED THROUGH THE WORKINGS OF NEWER TAXES AND REGULATIONS. ALLOWABLE METHODS OF DISTRIBUTION UNDER A WILL CAN LESSEN THE SHRINKAGE. INVESTIGATE THE PROBABLE SAVINGS AS APPLIED TO YOUR ESTATE. NO OBLIGATION ON YOUR PART.

Toronto Office
302 Bay Street

THE **TRUSTS and GUARANTEE** COMPANY LIMITED

executor and trustee since 1897

ABSOLUTE SECURITY WITH

The Commercial Life line

Paid to beneficiaries of policyholders during 1942 (mortality)	$ 60,512
Paid to living policyholders during 1942 (including dividends)	$202,012
Total paid to policyholders and beneficiaries (including dividends)	$262,524
Paid on policies and bonds since organization (including dividends to policyholders) over	$5,000,000

	1941	1942	Increase
ASSETS	$2,763,809	$2,877,743	4.12%
RESERVES	2,502,411	2,602,308	3.99
TOTAL INCOME	500,663	527,689	5.40
PREMIUM INCOME	326,391	346,506	6.16
BUSINESS IN FORCE	11,576,903	12,124,054	4.73

Complete Annual Report Will Be Sent on Request

Men and women may very substantially and regularly increase their incomes by representing The Commercial Life at points throughout the Dominion — Apply to nearest office.

THE COMMERCIAL LIFE
Assurance Company of Canada

Head Office, 350 Bay St., Toronto

J. W. GLENWRIGHT, *Managing Director*
A. B. McGILLIVRAY, *Agency Supervisor*
E. B. H. SHAVER, *Secretary*

Western Head Office, Edmonton, Alta. H. C. COOPER, *Manager*

Northern Ontario Office, Sudbury, Ont. G. M. RIDEOUT, *Manager*

"Producing for War-Planning for Peace"

YOU CAN DO BOTH

By Buying

VICTORY BONDS

This advertisement is published in support of the Fourth Victory Loan by

MUNITIONS DIVISION

Bata SHOE COMPANY OF CANADA LIMITED

BATAWA, FRANKFORD, ONTARIO

Market Review

By ROBERT C. STARK

Trading Turns Less Active

With interest concentrated on the Fourth Victory Loan campaign, stock market activity during the past week has slackened, with a slightly heavier tone being apparent. Exceptions have been the paper issues, some of which have turned in nice gains apparently founded on the rather negative basis that operating conditions won't be any worse for the rest of the year and on the hope that there will be a further price increase for newsprint.

The present comparative lull comes after a month that was the most active since May, 1940, for both the Montreal and Toronto exchanges. The market showed a fair amount of ginger after the Third Victory Loan drive as though traders had been stimulated by the rousing loan response. Whether the same will happen again to a market that is some 40% higher than it was a year ago remains to be seen. New York has shown an acceleration in trading after the $17 billions American war loan effort.

Quality Lacking

While the general market trend in the last few days has been a little easier, the list has been spotted with some individual highlights on the upside. The type of leadership, however, is not significant. For instance, about 10% of Toronto's volume last week was made up by turnover in Ajax Oil and Bear Exploration.

Much more emphasis continues to be placed on favorable developments than on those which the bears find more pleasing. Dividend action, either actually declared or promised, found response in Fleet Aircraft, Canada Steamships and United Steel common, although it should be noted there was no particularly heavy burst of enthusiasm behind the push that put these stocks into higher ground. On the other hand, information on National Breweries to the effect that taxes would limit net profits to a figure around 20% lower than the last couple of years found the stock selling at its year's high without a ripple.

Profit Problem

This whole matter of profits is one that should be receiving close investor attention. In last week's issue The Financial Post showed how taxes have outstripped increased business with 1942 profit of 127 Canadian corporations down 3.5% from 1941, while taxes were up 20.9%.

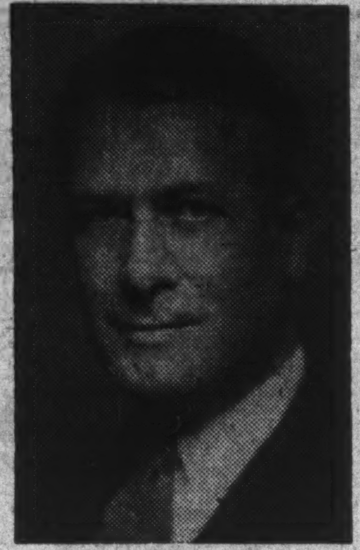
With 100% EPT in effect for all of 1943, a further increase in the tax bill may be expected. The ceiling placed on profits by tax regulations in many cases narrows very seriously the margin between net profits and current dividend rates; in some instances it may make maintenance of that rate impossible. This is a very basic factor in the price of stocks that will have the general effect of placing a ceiling over the wartime market as a whole, although the actual impact of the taxes will vary considerably between different stocks.

Market Opinions

Differences of opinion are appearing in stock market comment from New York, some favoring careful purchases at current levels and others holding that risks ahead outweigh probable advantages.

Magazine of Wall Street, N.Y.—Strong demand for common stocks has contnued to confound sceptics, as the record-breaking supply of investible funds presses for employment. Without some unpredictable news shock, we think reactions will be moderate and grudging and we therefore favor selective purchases.

Barron's, N.Y. (The Trader)—The advance in stocks is now over a year old. It is one of the longest uninterrupted rises on record. No net progress has been made in the past month. Unless and until the Character of the leadership returns to the recognized premier industrials, there is no assurance that the market is in a safe buying zone.



APPOINTED PARTNER

Vincent J. McCabe, manager of the Toronto office of J. R. Timmins & Co., stockbrokers, since its opening 15 years ago, has been admitted to partnership. The company holds seats on the New York, Toronto and Montreal Curb exchanges.

Great Lakes Paper Co. is paying dividends of 25 cents a share on its classes A and B preference shares on July 2, 1943, to shareholders of record June 2. Following this payment arrears will rise to $9.75 a share from $9.50 a share following the similar payment made April 2 this year.

Victory Loan

After Taxes—23% in Bonds

Small Investor Has Bigger Job This Year

How much of Canada's national income is going into Victory Loans?

The general manager of one of Canada's leading financial institutions asked The Post to answer this question a few days ago. His query came after reading the article on Canada's National Income which appeared in the April 17 issue of The Post. He had come to the conclusion that he had been using quite the wrong figures.

Actually, to reach the objective comfortably this year Canadians will have to put some 23% of their disposable income into war loans.

Last year Canada's national income is estimated to have reached something over the $7 billions mark. In the same year Canadians subscribed over $1.9 billions to Victory Loans and War Savings Certificates.

How Much Diverted?

Is it true then that this country in 1942 diverted 27% of its national income into war loans?

According to the experts, emphatically "No."

For a number of reasons (say the experts) these two figures (Canada's national income and the total amount subscribed for Victory Loans and Certificates) are quite incomparable.

For instance, the total for Victory Loan subscriptions includes corporate and institutional subscriptions. Such subscriptions are in many cases derived from quite different sources to that of national income which was actually "produced" in any particular year.

The two figures which **are** comparable for 1942 are:

a—the amount of war loan subscriptions made by **individuals.**

b—the amount of **disposable** income which individuals had left out of national income after deducting personal income taxes, profits earned but not paid out in dividends, and after inclusion of governmental transfer payments made to pensioners, reliefees, etc.

For 1942 disposable income was just over $6 billions and net individual subscriptions to the loan campaigns (after deducting bank advances still outstanding against these subscriptions at the end of the year) is estimated at about $750 millions.

In terms of percentage this indicates that Canadians, in 1942, subscribed to war loans about 12% of their disposable income.

What about 1943?

As nearly as can now be estimated, the amount of disposable income in 1943 will be in the neighborhood of $6.4 billions. This is an increase of about 7% over 1942. It is a rough and highly tentative "guess," but comes as near to a good answer as anyone can give at the present time.

Against this Mr. Ilsley has asked "individual" subscriptions to the Fourth Victory Loan of $500 millions; is certainly not going to seek less than this in the loan campaign next fall.

If small subscribers reach the first goal by midnight of May 15 and match it again next fall, that would mean well over $1 billion subscribed during 1943. Assuming bank advances outstanding against these subscriptions were to balance the purchases of war savings certificates, this would mean that instead of 12%, as in 1942, Canadians would increase their ratio of loan subscription to income to almost 16%.

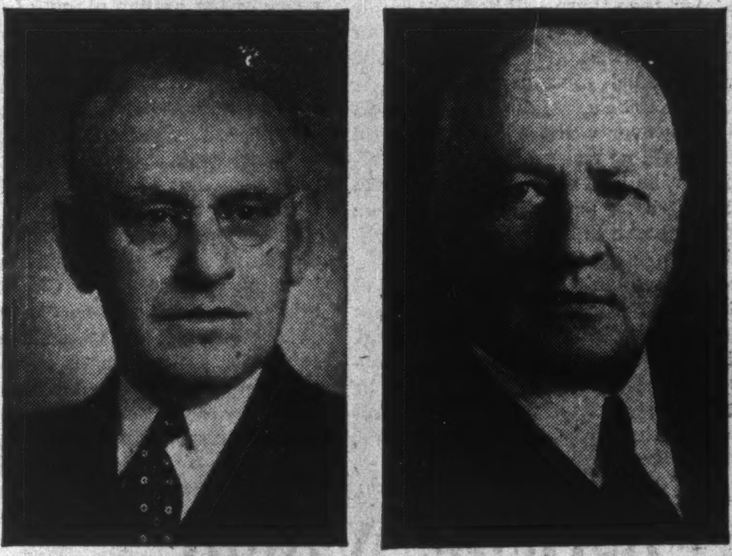
In any country such a figure would be a splendid result. It is a figure probably not being reached or exceeded anywhere else.

But if individual loan subscriptions in 1943 amount to only about $1 billion this will be approximately $500 millions short of the goal which Mr. Ilsley has set down in his budget in order to make this country's 1943-44 books balance without resort to inflationary bank borrowing. His goal, if you remember, was that out of total expenditure of $5.3 billions 50% should be raised by taxation and the other $2,750 millions (if possible) by war loans and certificate savings. Of this $2,750 millions it is estimated that about $1,200 millions will be subscribed by corporate, institutional and other "nonindividual" borrowers, leaving about $1.5 billions to be raised by purely individual subscriptions.

Were Canadians to achieve this almost "perfect" result in 1943 it would mean that roughly 23% of our disposable income (almost double the rate of 1942 achievement) would be put back into Victory Bonds and savings certificates.

Once the final totals of the Fourth Loan are known, the 1943 picture will be a great deal clearer than it is now.

What is clear is that the Fourth Loan, in terms of our disposable national income, will demand a **minimum** effort at least a third greater than last year, and if we are to do the job really properly, Canadians will have to virtually double the amount of their income which is going into war bonds.



QUEBEC POWER APPOINTMENTS

J. E. Tanguay, general manager of Quebec Power Co., who has been appointed vice-president and managing director. J. N. Sicard (left) general superintendent, has been appointed general manager to succeed Mr. Tanguay.

The

Bondholder

Fourth Victory Loan subscriptions are coming in at a clip that suggests the $1.1 billion objective will be handily reached. During the first week of the campaign subscriptions ran around 20% higher than in the same period of the previous drive. Continuance of that rate, plus the extra impetus that usually comes during the last week, would see the target hit.

The aim for a greater number of individual buyers is also being realized, although the increase in dollar subscriptions so far has been greater than in the number of subscribers. Quotas established for industrial plants throughout Canada are generally appreciably higher than the objectives for the Third Victory Loan. However, in very many cases the enthusiastic worker response has resulted in topping that higher objective in the first few days of the campaign.

* * *

Canadian Locomotives at 104 bid moved up some three points on the week. Buying attention followed announcement of the 13½-point interest payment. This will leave interest arrears outstanding at July 1 at 10½%.

* * *

Paper bonds showed firmness in fair turnover during the last week. Abitibis at 70 were among the leaders on anticipation of another payment, plus reports that the Privy Council will soon hear the appeal on this company's reorganization proceedings. Browns at 94¼ continued buoyant on the strength of the annual statement commented on here last week. At mid-week Minnesota & Ontario Paper came out with a not particularly bright quarterly report that showed bond interest for the period covered 5.9 times as compared with 11.7 times in the same period of last year.

This M & O statement backs up the Brown Co. report that current operations are resulting in profits well below those of last year.

Colgate-Palmolive-Peet Co. reports that 2,543,773 man-hours have been put in by its employees without a lost-time accident. This safety record was reached as of Feb. 28, 1943, and is still unbroken. Since 1930, only three lost-time accidents occurred at the company, all three prior to the declaration of war in 1939 in spite of the fact that labor turnover since then has been exceptionally high due to 65% of the company's men having gone into the war services. On three previous occasions the company's safety record considerably exceeded one million man-hours without a lost-time accident. The present record has earned the National Safety Council's "Distinguished Service to Safety" special wartime award.

VICTORY
MUST BE PAID FOR

There's only one source for Canada's costs of war. That's you, Mr. Canadian—your savings, your income. Canada can meet the bill only with what you and others are able to provide. For you are Canada.

While there is only one source, there are two channels to it—taxes and loans. To keep taxes below the breaking point, to finance the war on terms we all can bear, our self-interest demands that we make the 4th Victory Loan a success.

That's why you and all Canadians are now called upon to buy Victory Bonds. To reach this minimum objective—one billion, one hundred million dollars—everyone will have to buy to his or her utmost. So buy two ways this time—buy with all your savings and buy again by pledging part of your income on the instalment plan over the next six months. The price of freedom must be met.

This advertisement contributed by

THE BANK OF TORONTO

Incorporated 1855

1DV43

The 4th VICTORY LOAN

$ $ $ $ $

REQUIRES 3 MILLION SUBSCRIBERS

Success on such a scale will show our soldiers, sailors and airmen that we are behind them; our enemies and allies that we have the stomach to finish the job.

VICTORY MUST BE PAID FOR

Those who know Canada know that having put her hand to the plough, she will not look back.

THE TORONTO GENERAL TRUSTS CORPORATION

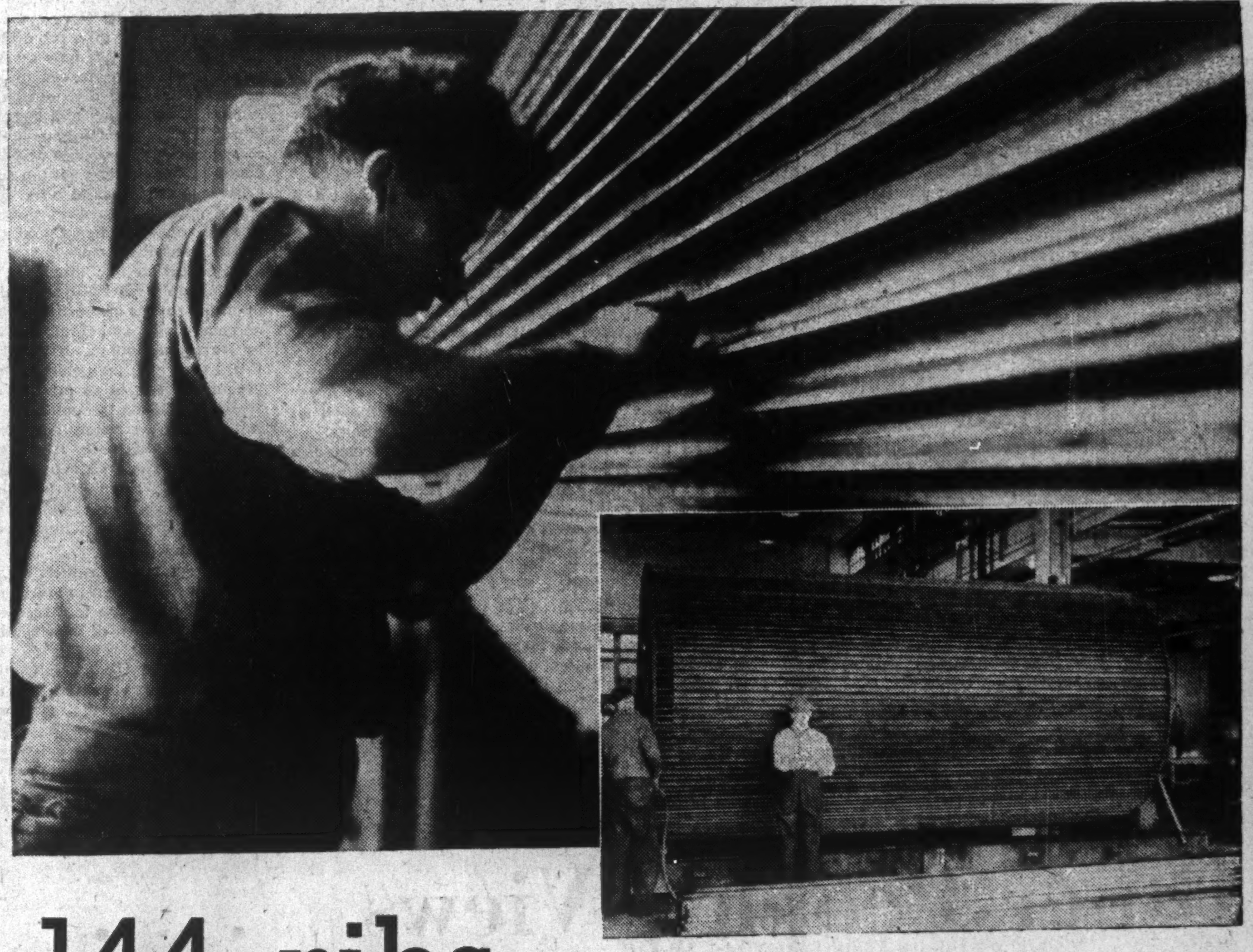
GLOBE ENVELOPES

Makers of Well Gummed Envelopes

Montreal TORONTO Winnipeg

WITH BULLDOG GUMMING

ENVELOPES *of all types!*



144 ribs grafted on one body

A typical example of B. F. Goodrich Engineering

Grafting ribs of any type, is a "ticklish job"—especially when the ribs are sixteen feet long by one half inch thick, and made of rubber to be grafted with a minimum tolerance on a metal drum.

That's one of the problems in rubber covering a pulp and paper filter . . . but it is a problem which has been successfully solved by B. F. Goodrich engineers.

Pictured above are men in the B. F. Goodrich plant at Kitchener, grafting and anchoring the ribs on a filter being rubber covered for a large company in Quebec.

In the past years, many such pulp and paper filters have travelled through the B. F. Goodrich plant, where not only rubber ribs have been grafted to their sides, but every square inch of surface (inside and out) covered with a protective coating of rubber . . . and not one of them has failed. There's a reason why: —The famous B. F. Goodrich Vulcalock process provides positive adhesion between rubber and metal . . . they just don't separate. The Pulp and Paper Companies using filters rubber covered by B. F. Goodrich may logically expect them to last a lifetime.

Even in these times of rubber restrictions, development work goes on in our Industrial Products Division, helping many war industries to speed up production, and operate more economically. The B. F. Goodrich Rubber Company of Canada Limited, Kitchener, Ont.

B. F. Goodrich

FIRST IN RUBBER

The Editorial Page . . .

War Materials Conference Needed

There should be another conference of war material manufacturers like the one held in Toronto last October when around 1,500 executives of big and little firms came together—at their own expense—to learn what each other was doing to achieve greater efficiency and to contribute better to the war effort.

At that time the organizer of the conference, Harry Carmichael, stated that another would be held in six months. Then came the plan to combine this conference with the annual meeting of the Canadian Manufacturers Association to be held in Toronto the second week in June. But now it appears no decision has been made; that the war contractor conference may not be held.

Some people in the Department of Munitions and Supply are understood to be using as an argument against the conference the official request to reduce conventions to a minimum.

Some conventions can be done without in wartime. Many of them are more important in wartime than ever before, because of the gravity of the problems to consider.

And certainly the meeting of war contractors is one of the latter. Such gatherings can only help the war effort for two reasons:

First, war contractors can learn a great deal from each other about doing jobs new and better ways. Last time, they saw how ingenuity and scientific skill had saved the Canadian war effort $155 millions in scarce raw materials, machines and working time. And, at that time, it was stated that these savings only scratched the surface.

Second, such a meeting does a most essential job on the individual war contractor. It shows him that he is a member of a team, not a solo performer. It shows him where he fits into the Canadian and into the global war effort. It arouses natural competitive instincts, appeals to pride of workmanship, ingenuity and leadership.

There is much talk, sizeable schemes afoot, for improving worker morale. Management morale is equally important.

The conference of war contractors should, in the interests of the war effort, go on.

Same as Cash

Ontario's subscription of $5 millions to the Fourth Victory Loan campaign, and the announcement that the province will accept Victory Bonds in lieu of cash for payment of succession duties, are both helpful to the Victory Loan cause.

Acceptance of these bonds for payment of succession duties serves to emphasize, if further emphasis is needed, the high degree of liquidity enjoyed by Victory Bonds. Ontario rightfully places them in the same category as cash. Provincial Treasurer Gordon and Deputy Treasurer Walters, who worked out the plan, are to be commended.

It has been announced that these bonds will be accepted at par value, plus accrued interest, for succession duties payment.

What happens if the bonds should not be selling at par?

The point is not important should they be selling above par since the estate executors could sell them and meet the taxes with the resulting cash. But should these bonds decline below par the province is apparently prepared to accept the loss. If it should then, it will place Victory Bonds in quite a different category from other Dominion bonds which presumably would not be accepted on the same basis. It is conceivable that in certain circumstances in the future, Victory Bonds would have particular attraction for the estate over which big succession duty demands were looming.

Example in Labor Relations

Amid the welter of confusion that is Canada's labor situation today, there is a target at which employers and unionists both could well aim. Canadian railways have long been free of serious labor trouble; confidence and co-operation between management and workers is a high tribute to the sensible working out of a fair policy.

In recent weeks, much publicity has been given in the United States to so-called "featherbedding" practices forced by American unions on the railroads below the border—these practices being solely designed to make work for union members without regard to the efficient operation of the railroad.

While the rules governing Canadian rail employees are much the same as those in effect in the U. S., the Canadian rails have not been affected by the extreme interpretations which have been placed on them by the referees where cases have deadlocked before the Railway Board of Adjustment. It is these interpretations which have raised so much notice in the United States.

In Canada, questions in regard to the application of rules are dealt with by the Canadian Railway Board of Adjustment which consists of six railway and six employee representatives. This Board has been in existence for nearly 25 years and in that period over 500 cases have been dealt with without having to refer a single one to a referee.

The experience of the Canadian railroads and the Brotherhoods over a long period of years affords ample proof that management and labor can go along together with understanding and without strife. This record has been based largely on a real desire to get along and honest compromise of conflicting viewpoints.

Obstacle to Gradual Demobilization

There has been a lot of rather glib talk about how demobilization will be handled after the war. Without much consideration for the problems involved, some planners seem to assume that the armed forces can be gradually returned to civilian life over perhaps a period of five years or more.

Much, of course, will depend on the suddenness and completeness of the peace that is to come. If Germany is defeated conclusively first and Japan a year or more later, then there will be less trouble in adopting gradual demobilization, but if the war ends in Europe and in Asia almost simultaneously, the problem will be much more complicated.

Men are not going to be kept in the armed forces after the fighting is over without some powerful persuasion. There will be tremendous public pressure brought to bear, both from the men themselves and also from their friends and relatives. The men will want a speedy return to civilian life and civilian opportunities.

One has only to remember the experiences of 1919 when riots were rampant in Canadian camps in Great Britain, to realize the problems ahead. Then occurred the unusual and unmilitary spectacle of generals pleading with their men to be patient for just a few more days when space on returning boats was definitely promised. This time, with some Canadian soldiers held inactive in Great Britain almost since the start of the war, the impatience to get home is bound to be stronger.

Gradual demobilization there will have to be, if the problem of postwar employment is to be solved.

But we might as well face the fact now that this is not going to be nearly as simple as many people seem to assume. There will have to be a careful and well thought out plan, and this plan will have to be "sold" to the troops themselves and their much more numerous relatives and friends at home. These people will have to be convinced that this gradual demobilization is in their own best interest and that the veterans' chances for full and profitable civilian employment are not being jeopardized by performing any policing or other monotonous jobs that our forces may be called upon to carry out after the peace.

Well Done, Massey-Harris

When Nazis in North Africa recently captured a 16-ton, M-5 tank, they made it possible to reveal the fine contribution being made to American-Canadian amity and mutual respect by Massey-Harris Co. Ltd. Until then, censorship closely guarded the operation.

Canadians have long been accustomed to watching the production triumphs both for war and for peace of the branch plants of the U. S. firms.

Massey-Harris reverses that common situation with its production of tanks at Racine, Wis., and gives our neighbors a practical illustration of what Canadian enterprise and management can do.

Three months ahead of schedule, Massey-Harris completed its first machine reportedly called "Honeys" and world's speediest by British tank men.

The Massey-Harris job is being held up as a model. Virtually 100% of the parts manufacture is subcontracted. The Canadian firm organized this production pool and does the assembly.

According to a U. S. ordnance officer this Massey-Harris enterprise "is the best example of subcontracting in the country that I have heard of and is being cited nationally as an example of what can be done in spreading war work."

Cartoon by Grassick.

The Man in Uniform: "Do They Know There's a War On?"

Post-Scripts . . . .

B.A.'s New President

Because his father, a mining engineer who spent most of his life working in remote parts of the world, claimed his profession was "a dog's life" which hardly permitted a man to get acquainted with his own family, William Kepler Whiteford decided he would go into the oil business. That he has been successful in his choice is evidenced by his recent election as president of British American Oil Co. In this position he will specialize in directing the refining, production and distribution ends of the company's business. A. L. Ellsworth, president of the company for many years, assumes the position of chairman of the board.

MR. WHITEFORD
—Violet Keene photo.

Bill Whiteford is young—born Nov. 28, 1900, and one of the surprisingly few persons more than 30 years of age who can claim to have been born in Los Angeles, Cal. He has a free and easy way with him and already in the less than 18 months that he has been stationed at B. A. Oil's head office in Toronto has left his mark in heightened morale and an even keener organization than that for which this company has long been known.

A graduate of Stanford University in mechanical engineering he served his apprenticeship the hard way in the California oil fields. He still regards his promotion to the post of reserve driller on a big rotary rig, the youngest man to hold such a job in the Signal Hill field of California in the days when this field was getting its early and most spectacular development, as an occasion that rivals even the more recent day when shareholders of B. A. Oil confirmed his election as president of the company.

It was Bill Whiteford who was responsible for the success of British American Oil Producing Co. in discovering the Oklahoma City Extension oil field, an achievement that he recorded within a short time of joining this then struggling unit as executive vice-president in 1935. This success has been followed by others in the producing end of the oil business for B. A. until he came to Toronto as executive vice-president of the parent company in 1942.

Now he, his wife and two sons are Toronto residents after almost 20 years of following the changing fortunes of one oil field after another across the United States. He has faith in the future of the postwar oil industry, holding that it has become more and more a manufacturing industry using crude oil as its raw material and turning out the many products which can be derived from the basic hydrogen-carbon combinations to be found in petroleum.

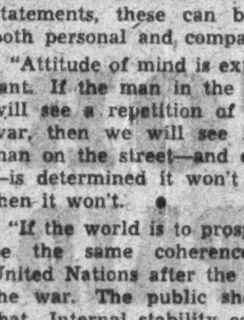
He argues that the current "scare" about slowly dropping proved oil reserves in the United States is another of the many phases through which the industry has gone in the last 50 years. Methods and theories for finding oil have changed from time to time with a new method being developed as an old one shows signs of having played its part. For a number of years now the seismograph or the torsion balance have been the tools of the explorer for oil.

It may be, Mr. Whiteford admits, that fields in the United States readily discoverable by this method are now known. Already he claims, original thinkers in the field of oil exploration are seeking some entirely new tool with which to explore for potential oil fields. If successful, there is no reason to think that other fields as important as East Texas, Oklahoma City, or the various California producing areas may not be found. So far as Canada is concerned he argues that real exploration for oil is still in its infancy and suggests that the wrong methods may have been followed. The seismograph and torsion balance may not be the proper tools to discover Canada's oil fields but, with the work being spent on the subject now, something greater might turn up any time. Finding oil still remains, he says, more than half luck.

. . .

Our Postwar World

Many people probably think of a great leader of industry as a rather frosty, machine-like individual, a highly intelligent robot rather than a human being. But if such a definition ever did fit, it certainly has never been true for Robert C. Stanley, the genial and very human head of International Nickel Co. of Canada.



MR. STANLEY

In Toronto, for his company's annual meeting, Stanley and his Inco associates revealed themselves as crusaders for a better-co-ordinated and better-run world after the war. The Financial Post had an off-the-record view of an advertising series which will run in Canada as well as in the United States. In due course, this will put these views on public record and from forthcoming statements, these can be accepted as both personal and company opinions:

"Attitude of mind is extremely important. If the man in the street says we will see a repetition of 1932 after the war, then we will see it. But if the man on the street—and everybody else —is determined it won't happen again, then it won't.

"If the world is to prosper there must be the same coherence among the United Nations after the war as during the war. The public should insist on that. Internal stability can only be assured by sound peace terms calling for a sound basis for a continuing prosperity, proper laws, proper planning ahead."

As a businessman the Stevens Institute of Technology trained Stanley is generally conceded to be an outstanding success. Under his leadership and with his keen insight into technical matters, International Nickel Co. the last 20 years, has assumed a far more important place in both Canadian and United States economies than ever before. Since Robert Stanley entered the nickel business in 1901 world nickel consumption has risen perhaps more than 20 times —most of it "made in Canada." If Stanley can sell the world on preparations for after the war the way he has sold it on nickel, this may prove a happier world to live in. Let's hope he can.

. . .

Product of Manitoba

Walter Thomas Patterson, popularly known as "Pat," recently appointed secretary of the Industrial Control Board of the Munitions and Supply Department, is not exactly a newcomer to the official Ottawa family because he was appointed solicitor to the board in 1941.

MR. PATTERSON

Being named a secretary of the board as well as solicitor is a recognition of a fact well known to his former law partners in Winnipeg, that Pat is a hound for work and whatever he tackles will be done with promptitude and a superlative degree of thoroughness.

Patterson is a Manitoba product. He was born in Boissevain in southwestern Manitoba and his relations still live in that garden area of the province. As a youth Pat enlisted in the first great war. He went overseas as a private but returned bearing the King's commission. He was admitted to the law society in 1921 and served under articles with C. B. Philp and later under C. H. Locke. He was called to the Bar and admitted as a solicitor late in 1924. Previously he had received the degree of LL.B. from Manitoba University.

He practiced law with the then firm of Parker, Patterson and Parker and remained associated with that firm until his appointment in 1941 as solicitor for the government board of which he now also becomes secretary.

Patterson is a skilful oarsman and rowing was his favorite sport, although he was known as one of the best amateur baseball player southwestern Manitoba ever produced. During his overseas career he played baseball with the Canadian Army team. Later he became an enthusiastic squash racquets player and is fond of golf though his devotion to business has prevented him from giving a great deal of time to this game.

Mr. Patterson is married, has two children, a girl and a boy, and was for many years a devout adherent of Augustine United Church of which he was secretary of the board for a number of years.

. . .

Sayings of the Week

"It is our duty to hand on to our children a world in which freedom can live and man command his soul; free from the constant dread which has shadowed our time."—*British Foreign Secretary Anthony Eden.*

. . .

"We have been saved by the blunders of our enemies. Our blunders stand out like the peaks of the Grampian Mountains, but the blunders of the Germans stand out like the peaks of the Himalayas."—*Lord Strabolgi, in the House of Lords.*

. . .

"The greatest danger I see threatening the material prosperity of Canada is the danger of discouragement to free enterprise. If we ever lose the motive to enterprise, scarcity, not plenty, will be our lot."—*Hon. John Bracken, Progressive Conservative leader.*

. . .

Stop Me If . . .

"I hardly feel like a stranger," said the best man at a wedding; "my friend has so often read to me extracts from his dear Ethel's letters."

"Sir!" exclaimed the bride. "My name is Margaret."

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

DOUGLAS M. GOWDY, Manager
RONALD A. McEACHERN, Editor

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2.

JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
FLOYD S. CHALMERS, Executive Vice-president.
B. G. NEWTON, Vice-president.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $8.

Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.

Montreal: Dominion Square Building. Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.

Ottawa: 200 Irving Ave. (Tel. 8-0847); Kenneth R. Wilson, Resident Correspondent.

New York: 522 Fifth Ave.

Chicago: 309 West Jackson Blvd.

London, England: Quadrant House, 55 Pall Mall, S.W.1.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Retail Sales Promotion Will Start Afresh

After the war, because of sharp changes in civilian income, retail trade will largely face a new set of customers, and in many cases, with a new line of goods.

This will create both a new problem and a new opportunity in sales promotion according to Richard G. Meybohm, manager, sales promotion division, National Retail Dry Goods Association, New York, from whose recent Montreal address the following extracts have been selected.

. . .

The success of many of the large department and specialty shops has been built on the fact that they offer wide assortments and varieties under one roof, in addition to numerous services and conveniences for the customer. The war has dealt their peacetime clientele—the white collar and professional class—a telling blow with increased cost of living and higher taxes. At the same time it has given rise to a new potential customer — the industrial worker. The first group can no longer pay for services and at the same time buy as much merchandise. The new group never enjoyed these conveniences and won't have such an opportunity if government curtailment continues.

Then there is but one answer. The merchandise itself, expressed in terms of value, quality, usefulness, is more and more constituting the level upon which all stores are making sales. This being the case, it is to be expected that most stores will enter the postwar period stripped of all non-essential services and frills after having given the customer a liberal education in low cost distribution.

After the war retailing and particularly retail sales promotion will have its greatest opportunity to prove its worth. It looks as if there will be no such tangible as an established clientele for any individual store. We will all start from scratch. Incomes will change; new industries will spring to light in various parts of the nation causing an increase in population in some areas and a decrease in others. Sensational new products will come into being as a result of the war effort. The armed forces will release millions of men who have been out of touch with civilian life. The living habits of all of us certainly will have been altered by that time. Competition for business will be extremely keen, to say the least.

If that be true, and I think it will be, do you believe that the individual store can simply return to its old methods of hit or miss promotion? I doubt it. Competition to capture this new market will make anything but the most scientific, economic and efficient methods of promotion and distribution too costly to survive. Accuracy, flexibility and speed will be the essentials of retail promotion immediately following the war—as accurate a knowledge as possible of the needs and wants of people, in addition to what the producer of consumer goods has to offer. Flexibility to adjust internal operation to meet these needs and speed and aggressiveness in being first to cater to these needs and to present new previously unheard of products.

It seems to me, therefore, that the store that is quickest on the draw in analyzing a market and acting upon the results of these analyses, should get the jump on competition and stand an excellent chance to grow by leaps and bounds. If there is any proof needed of this, I offer you the performance of one of the world's greatest stores, in so far as volume is concerned. It really started its tremendous growth shortly after the last war. It accurately analyzed the needs and wants of people at that time. It changed the method of retail sales promotion with copy, illustrations and merchandising to fit the pattern of the time. It correctly analyzed, even in so-called prosperous times, that value and low cost living were important to the majority of people.

The sensational results obtained by this store are only too well known to retailers throughout the world. So it is my opinion that research will become an important function of retail merchandising and sales promotion. The retailer who looks ahead and keeps his fingers on the pulse of the changes of income, population and consumer preferences taking place in his trading area, the retailer who keeps as close contact as possible with resources, which formerly dealt in civilian goods but which are now engaged in war work and from whom, in all probability, a great number of new products will come, is the retailer who will be in the best position to start rolling in the right direction as soon as the victory is won.

Other People's Views . . . .

The Canadian Editorial of the Week

Responsible Labor Leadership

Winnipeg Free Press

Two widely separated strikes in the last couple of weeks have underscored with deep black lines the fact that there is something seriously wrong with Canada's morale on the home front. Have our managers, our workers and our trades union leaders in the trades involved forgotten that there is a war on, a war which may be won or lost on the battlefields of Europe this summer? If they have not, then how are they to justify these work stoppages for reasons which are the quintessence of triviality?

Trades unionism in Canada has made splendid progress in the last three years. Thousands of new members have been recruited and collective bargaining agreements have been signed with employers who previously had never dealt with the unions. Wise Canadian labor leaders know the value of these gains. These leaders must be alarmed, as all friends of trades unionism are alarmed, at the effect of these inane strikes upon public opinion. A few more episodes of the type we have mentioned and there will be an outcry against unionism in Canada which may cost it many of its hard-won gains.

If there was ever a time when trades unionism needed wise and responsible leadership, the time is now. There is something very unhealthy in unions which will strike for reasons so trivial as those which caused the Ford and Alberta strikes. It is up to the leaders of the Canadian labor movement to probe these industrial sores and do something to clear them up. It is a job which the War Labor Board might also have a hand in when it opens its public enquiry into Canadian labor policy and problems. If these things are neglected, the cost to Canada's war effort and to Canadian trade unionism will be burdensome in the extreme.

. . .

The Mail-box . .

Housing and Improvement Loans

I have read with much interest and appreciation the article in your issue of April 24 upon the operation of the Dominion and National Housing Acts, the Home Improvement Loans Guarantee Act and the Home Extension Plan.

In preparing the headline for this article I notice that you have grouped all moneys advanced under all these plans together and have similarly shown the losses suffered. Despite the favorable record which even these amounts present I think it should be pointed out that the impression thus created is somewhat erroneous.

Under the Dominion and National Housing Act it has been the policy of this Department to insist that borrowers follow sound standards of construction and also that no borrower build a home which is beyond his means.

As a result, there has been established a loss record which justifies the adoption of these policies. As your article points out there has been financed under these two Acts a total of $78.2 millions and to date the net loss suffered by the Government has been $1,781.

As you are probably aware the Home Improvement Loans Guarantee Act was enacted as a "pump primer" for the building industry and as a means of furnishing employment. Loans were made by the approved lenders under the Act solely on the basis of credit information furnished by the borrowers and it was under this Act that practically all the losses referred to in your headlines were suffered. You can appreciate that the location of the building and the standard of the work to be done was not considered.

I would also like to point out that the amount of $78.2 millions approved under the Dominion Housing Act and the National Housing Act is the gross amount whereas the balance outstanding of $16.5 millions which you show is the balance owing to the Government on these loans. Since the Government's advance is only 25% of the total loan there was therefore approximately $76 millions outstanding on account of these loans.

Your statement that the contingent liability of the Home Improvement Loans Guarantee Act as of March 31, 1943, is $450,000, is wrong.

There was approximately $50 millions advanced under the Act and the Government's contingent liability was 15% of this amount or $7.5 millions. Since there have been losses of approximately $361,000 this means the Government's contingent liability is the entire balance outstanding on these loans or approximately $3 millions on March 31, 1943.

F. W. NICOLLS,
Director of Housing.

Ottawa.

. . .

Ontario's New Labor Act

Having read Ontario's new compulsory bargaining act, we wish to point out certain serious weaknesses in this piece of legislation which will affect directly employers and employees in Ontario and, indirectly, every citizen of the Dominion, and particularly those of the Province of Ontario.

This act enforces compulsory bargaining between employer and employee. Following upon compulsory bargaining in any given plant or industry we may be sure the closed ship will be attempted, especially wherever the CIO is the bargaining agent. In fact, virtually all the strikes that have taken place in Canada recently have been engineered by the CC of L (CIO), not primarily to establish wages and working conditions, but to obtain union recognition and, ultimately, the closed shop and the check-off.

The closed shop is a vicious, undemocratic practice, and is the negation of individual liberty and freedom. Ontario's new bill destroys freedom of association and, in its present form, it hogties the worker and leaves him at the mercy of union leadership. This act, as now constituted, denies the worker his birthright under democracy and imposes a brand of fascism on him.

If not amended, the act will work havoc on the system of free enterprise. To give but one instance, it will place at each others' throats thousands of employers and employees who have heretofore amicably carried on mutually satisfactory relationships through plant councils or associations. Now that act outlaws this type of employee organization.

The act is full of restrictions against the employer using intimidation, coercion or discrimination, but there is nothing in the measure to protect the individual worker against intimidation or coercion by a union organizer. In many cases such union organizer is imported into this country for the specific purpose of forcing Canadian workers to join a particular union.

The National Union of Railwaymen would welcome legislation establishing collective bargaining provided it was a law fair to all, that it would prevent labor racketeering and the fomenting of disputes for ulterior purposes, and that it would safeguard and protect the rights and liberties of the workers individually and collectively. Such a bill would encourage freedom of association, not deny it as the present act does.

O. Edgerton.
General Sec.-treas.
National Union of Railwaymen.

Winnipeg.

. . .

As Others See Us . . .

Postwar Reforestation

Simcoe Reformer

It is not surprising that the plan drawn up by the Norfolk Chamber of Commerce for the reforestation of the Big Creek area has attracted the attention of so prominent a paper as The Financial Post. There is scarcely a matter connected with the countrysides of Ontario that so urgently demands attention as the conservation of our streams and water-courses and it is gratifying to note that increasing attention is being given to it. It is hoped that schemes of this kind will provide healthful, outdoor, postwar employment for a large number of men.

Business at War

Shoe Dealers Get a Plan

WPTB Aids Drive to Reduce Costs

By ROBERT C. STARK

Shoe retailers throughout Canada are striving to reduce their operating costs to meet the squeeze of wartime conditions. A survey carried out last fall by WPTB showed some good points for attacking the general problem. This is now being carried through with definite, specific suggestions for a wartime plan being given to the shoe dealer.

Findings of a survey carried out several months ago on retail practices in the footwear field by the management service division of the Wartime Prices and Trade Board (The Financial Post Dec. 5, 1942) have been brought down to a number of specific recommendations. These recommendations are being passed on to shoe retailers throughout Canada by WPTB and are primarily designed to reduce the cost and make more efficient the operations of the small merchant and manufacturer.

The survey showed that elements of cost incurred and controlled by retailers represent a substantial part of the total cost of a pair of shoes to the consumer. Mark-downs for reductions by retailers from their originally anticipated selling prices averaged nearly 7% of the realized price. Significant in the same survey was a lack of simple records among retailers in the lower volume bracket who also showed the greatest loss through mark-downs.

The first suggestion made to shoe retailers is that in the interest of ordinary marketing and preservation of profit, there should be no distress sales in their area. Some shoe merchants may be called to the armed forces, others may close to take over wartime jobs, while still others may retire. The stock of such dealers as these should be handled by their associates in the footwear trade.

Due to radical changes in living habits and population shifts, many shoe merchants find they are faced with new merchandising situations which demand changes in policy. Sometimes a store which has been doing business that is mainly high grade, has to adopt a change of emphasis so as to appeal more to war workers. It is pointed out that this is a year in which it might be necessary for shoe retailers to make some experiments which they might not have considered in normal times. For instance, consideration might have to be given to carrying lines of work boots for essential industries, comfort shoes for women workers or other items that fit into Canada's wartime picture. Proper records of all sizes sold and each type of footwear would ensure that buying will be based on facts, not on guess work.

New Workers

As the demand for labor increases, many merchants have already had to face the problem of replacements in their store. They have found it necessary, in some cases, to draw upon age groups which formerly they would have considered unsuitable. Such groups include students of high school or university age, female help, including married women for part time, older male help not fitted for the armed services.

It might be possible that candidates from such groups could be given some free training through organized classes of elementary instruction in shoe salesmanship.

The possibility of decreased volume in footwear sales throws added importance on the accessory department. It is declared that a shoe accessory department, properly merchandised, is always profitable. In this connection more sales efforts could be expended on such lines as shoe trees, polishes, laces, brushes, shoe cloths, etc.

To help volume a retailer might act as a sales agent for a shoe repair shop. Customers could be shown that it is in the interests of Canada's war effort to have their present shoes repaired so as to save leather, labor, steel and other needed materials.

Another suggestion is the institution of self service. While this, in a real sense of the term, is not practicable, some modification of such a plan could be considered. For instance, a retailer in Sarnia, Ontario, operates a help yourself service on shoes retailing from $3 down.

Simplification

Taking advantage of simplification of stock will reduce the possibility of a volume squeeze adding to the price squeeze which is already in effect. Reduced variations in style and design mean possible reduction in mark-downs. Less mark-downs from originally anticipated prices help to maintain profit with less volume. Inventory control is simplified with less lines and stock turnover is automatically improved.

Recognizing the wisdom of budgeting now for reduced volume it is recommended that overhead be cut to the lowest possible minimum without affecting efficiency. All avenues in a shoe store's operations where expenses might be reduced should be carefully checked. Such avenues include proper use of inexpensive records system; operating charges; shorter hours; reduced mark-downs and elimination of all waste.

Cut Hours

A community effort among fellow merchants to reduce store hours on a voluntary basis would have many advantages. Reduction of lighting and heating expenses would result. The dealer would be able to gain valuable time that can be used in checking his stock more closely before buying. The extra time would enable clerks to maintain complete records of their individual departments. It is maintained that customers would soon get into the habit of doing their shopping earlier in the day. This has already been proved in the grocery trade.

To meet present conditions no item is too small or insignificant to be overlooked. There may be salvage money around the store. There may be small wastages that may be stopped. All scrap boxes, shipping containers, old rubbers and shoes should be saved.

Power can be saved by cutting all unnecessary forms of artificial lighting which will not only mean a money saving, but also a diversion of power to more vital war industry. It is suggested that dealers have their local lighting company check their fixtures to see where waste in current can be eliminated.

Reduce Deliveries

Wherever possible, local deliveries should be discouraged. If deliveries have to be made, it is suggested that they be pooled with other merchants serving in the same community. It might even be possible to use the postal service for delivery economy. The postal rate on women's footwear is 6 cents in a 20 mile radius.

Some shoe merchants have been shocked when they have actually figured out the leakage of profits through giving merchandise for prizes, donations, etc. In prosperous times this evil was allowed to creep into business and is a source of direct loss. It is recommended to shoe retailers that today they should endeavor to make a profit on everything they have in their store, even salvage. They can make it a rule in their business that merchandise gifts are out for the duration.

The thief of the shoe trade is mark-down which robs the dealer of profits, depletes his stock and involves such extra expenses as labor, inventory costs, loss of time, etc. Mark-downs can be reduced by proper stock control, reducing the number of lines carried, more complete range of fittings in fewer lines, extra care in fitting to eliminate returns, a minimum of style and novelty shoes.

Stock Control

Stock control has been proved to be a vital spot in the shoe retail business. Proper records warn the dealer of slow moving lines to show up his stock needs. A good stock control system is one which involves the minimum of expense, time and effort. For the benefit of the retailer the Wartime Prices and Trade Board has laid out some suggested forms for stock control which have been planned and carefully checked by several well known shoe accountants.

The absorption of sales help into war industries and the fighting forces has meant their replacement with new or more or less inexperienced help who may not be familiar with the prices at which goods should be sold. This condition might be serious, thus it is a requisite that goods on hand for sale should be marked so as to tell quickly and easily the time the articles were placed in stock, the selling price and the quantities of items purchased. Such a marking plan will speed turnover, and faster turnover means increased profits. As with stock control, WPTB has advised a simple marking system to aid owners and sales clerks in keeping an accurate check on the length of time various items have been in stock, thereby enabling the older stock to be disposed of first.

It is recommended that the suppliers' representative should be sought for advice, opinion, criticism and co-operation. He is a clearing house for good sound merchandising ideas. His opinion is held to be invaluable in helping the shoe retailer to chart the right course while he will co-operate to the fullest extent in giving the dealer leads as to where "short" items might be secured.

Needs Advertising

The footwear dealer needs advertising to build and hold his trade. It is recommended that he carefully review his advertising expenditures and buy those forms of advertising which he can legitimately charge to his cost of doing business. Sound advertising which encourages people to do business with the dealer has an important place in his wartime economy.

More than ever before Canadian people are conservation conscious. They realize that they are helping both the war effort and themselves by making their possessions last as long as possible. In the long run it will be in the dealer's own interests to educate his customers to proper shoe care. WPTB makes some concrete suggestions that might be passed on to customers for the care and preservation of their footwear.

The question is asked whether the dealer's present bookkeeping system is adapted to wartime conditions so as to involve a minimum of effort, time and money. It is suggested that the increased records arising from new income tax regulations, unemployment insurance, excess profits tax, etc., may require more light on his present method of doing business. The dealer should be satisfied that his system cannot be reasonably improved upon. His trade association would be of assistance in this respect.

WPTB recommends to shoe dealers that they read their trade papers more intensively. It is declared that their trade papers are well informed on government rulings and with the practical experience of shoe dealers' problems, with full and sound advice written in the interest of the trade. The trade paper will keep the dealer abreast of the times, will forecast possible new developments and will help with dealers' problems.

Store workers and store customers require an understanding of problems during the war emergency The morale of store workers which in turn will affect consumer morale is of paramount importance. A retail sales staff should be acquainted with reasons for shortages in civilian supplies, conservation of goods in supplies, credit terms or any item that may cause customers irritation. An intelligent explanation of these things will improve consumer morale.

Imperial Oil Co. Seeks New Wells

Extensive Exploration Work in Western Canada Features Activities

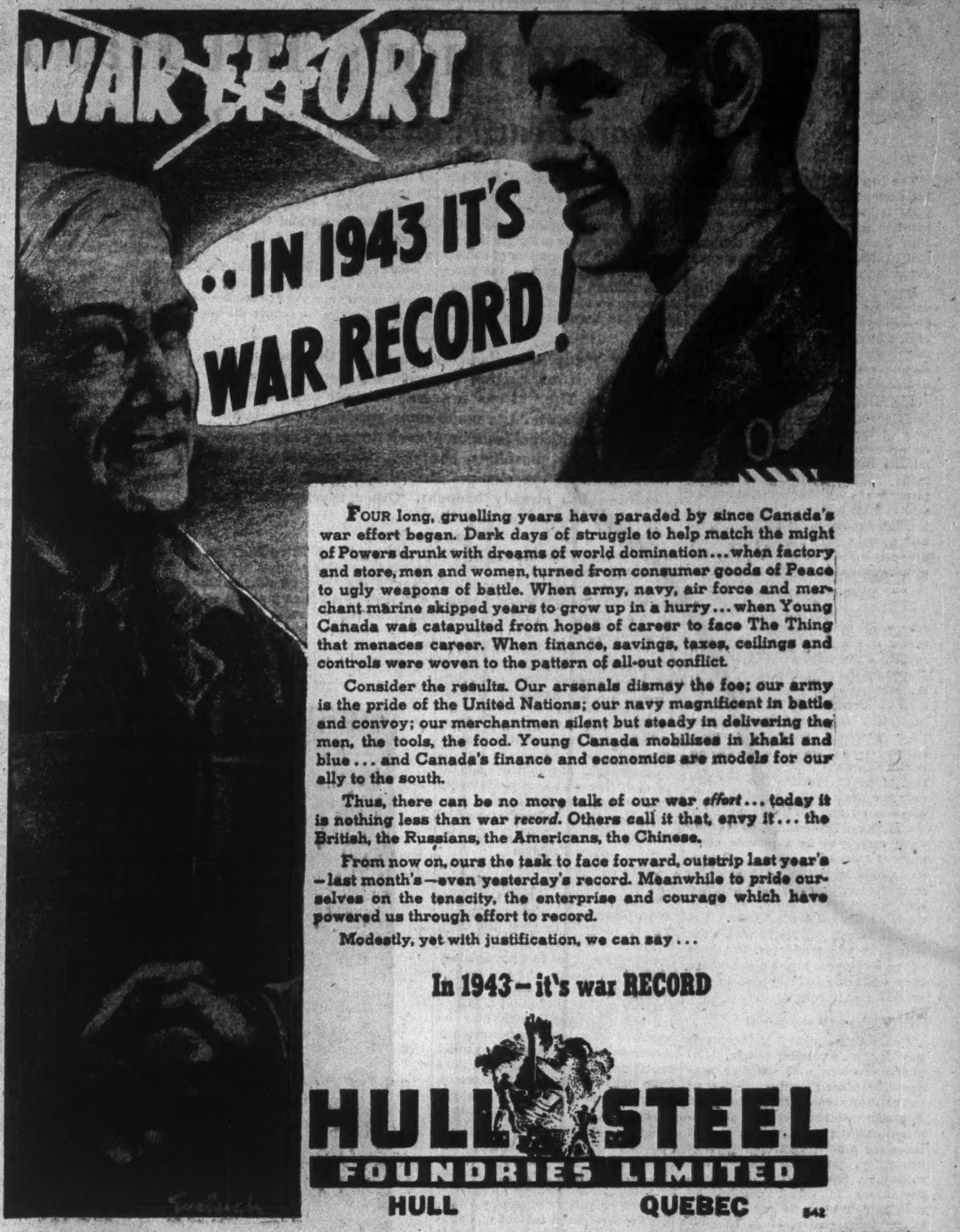
Imperial Oil Ltd. shareholders re-elected officers and directors at the recent annual meeting at Sarnia, Ont. R. V. LeSueur, vice-president, told shareholders that the company and its subsidiaries, with their greatly increased exploration activities in western Canada, are now conducting a more extensive work of this nature than the rest of the oil industry in Canada combined. He referred to the fact that all the company's operations are now governed by requirements of the armed forces and essential industries.

Its subsidiary, International Petroleum Co., earned its $1 a share dividend in 1942 in spite of the serious way in which transportation difficulties interfered with production of crude oil and its shipment.

Tell them

If you haven't immediate goods to SELL rural Canadians, then TELL them about your product. Keep your name fresh in their minds by using the Family Herald and Weekly Star to send your sales message into more than 300,000 homes from coast to coast. Be ready to meet the post-war demand for your goods by keeping in contact with the farm market today.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA



"THE BEST IS YET TO BE"

—*Browning*

THE time has come for every living soul in Canada to express his confidence in the future — *and to underwrite it.*

Canada has met wars, epidemics, panics, economic depressions and after each trial has emerged stronger than ever.

The people of the United Nations have enough brains and goodwill, enough energy, courage and determination to win not only victory in war but also to solve the problems of the peace to follow.

The march of progress has not been stopped—has not been turned back. The progressive nations of the world, the nations determined to go forward, have now come together. Together they oppose the nations that have elected to go back, dragging the rest of the world with them to brutality and bloodshed.

The Allies are being proved and welded in the fires of war. Out of the darkness of recent perils, they have raised their eyes to the bright light of a new world in which they have resolved there shall be freedom for all, freedom from want, from fear, and freedom of speech and of worship.

Yes, there is every reason to express confidence in the future... confidence that "the best is yet to be." But, to realize this victorious world, requires the total effort of every living soul. Buy Victory Bonds....

Buy More
VICTORY BONDS

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK

Frederick H. Ecker, CHAIRMAN OF THE BOARD — Leroy A. Lincoln, PRESIDENT

CANADIAN HEAD OFFICE, OTTAWA

Tax Exemptions Hit Hard

Growth Bears Heavily on Municipal Finances

The increasingly heavy impact of tax-exemptions upon municipal revenue is the subject for some comment in the year book of the Citizens' Research Institute of Canada, just issued. The following is a condensation of that report.

During the last 15 years, total valuations for local taxation purposes have steadily decreased. Tax exemptions have increased. Thus the basis of local taxation has shrunk and local taxation has not decreased in proportion.

The form of taxation in Canada is largely conditioned by the provisions of the British North America Act, which provides that the Dominion may raise money by any mode or system of taxation, that the provinces may levy direct taxes within their borders, that municipal institutions are within the provincial domain and that no lands or property belonging to Canada or the provinces shall be liable to taxation.

Exemption Obsolete

The old doctrine that Crown property cannot be taxed is obsolete under modern conditions, says the report. If, say, 500 persons are employed by the post office in any city, the city has to maintain schools for their children, afford police and fire protection for their families and their property, maintain streets, parks, playgrounds and public health departments, etc., to meet the cost of which services the city has only the taxes on homes of the employees, an amount inadequate for the purpose. If the same 500 persons were employed in a private commercial enterprise, the cost of services would be no larger than in the former case, but to meet them the city would receive not only the taxes on the employees' homes, but those on the premises in which the enterprise was conducted. The taxes of the employees in the place where they work are both needed to pay related community costs.

Some Concessions

Generally speaking, governments pay for water, light, power, telephone services, etc., whether rendered by other governing bodies or by privately controlled companies. Sporadic instances occur of governments making payments in lieu of taxes for municipally operated fire protection, police protection and sidewalks. Some governmental undertakings in direct competition with private business pay full local taxes. Such undertakings as government liquor stores, which are comparatively new ventures of an obviously business nature, may pay taxes. These are all concessions forced by public opinion.

In time, public opinion may force the adoption of the principle that all undertakings, irrespective of ownership, must pay taxes on the same basis. Either government services are worth something or they are not. If they are, they should be paid for. If they are not, then no one should be forced to pay taxes.

For many Canadian municipalities the continuing increase in tax exempt property has considerable importance. The Citizens' Research Institute has examined the problem and has made some specific recommendations on municipal taxation of such things as Crown property, schools, hospitals, churches, etc. Significant are some of the tax changes that the pressure of public opinion has already brought. Other reactions to the problem appear on page 3.

The general picture of publicly owned utilities is that they are partially or completely exempt from taxation. If they are not taxed on the same basis as those privately owned, the public cannot know whether public ownership and operations are more economical than private ownership and operation.

Frequently the claim is made that full taxation of publicly owned utilities would increase the cost to the consumer. It would not add to the cost. The cost is already there; but it is paid by the general taxpayer—not the people who actually benefit from the service.

New Problem

Since the declaration of war, government industrial corporations have appeared on the Canadian scene. They constitute a new problem to many municipalities. The transfer of ownership of a plant from private hands to a government corporation may mean a serious loss of municipal revenue. The inflow of workers and their families demanding local services, which may be rendered at a loss, may become a serious burden, particularly to small municipalities. These conditions have been noted in some cases by federal authority who may make a payment in lieu of taxation, or supply some service directly to their employees.

Industrial corporations deriving their capital from the government, or partly from the government and partly from private sources, may become a permanent feature of Canadian economy. Unless provision is made for full taxation, the balance of the whole structure of municipal finance may be upset, and even destroyed, should such corporations become numerous and the amount involved become large in the aggregate.

Some years ago, more than at present, there was great rivalry between municipalities and even provinces to secure industries "to reduce the burden of taxation." This rivalry went so far as to offer bonuses, the purchase of stock, the granting of free sites, exemption from taxation, and granting of fixed assessments at a level much below value. The rivalry became so keen and the results were often so disastrous that provincial authorities passed laws to forbid such practices and fixed assessments for more than a term of years and without the consent of electors. In many cases fixed assessments for school purposes was forbidden. Experience has proved that the entrance of new industries into a municipality did not lower, but rather tended to increase, the burden of taxation with the increase of population.

In some cases bona fide industries felt compelled to get fixed assessments to protect themselves against exploitation and, in this they were frequently warranted. This could not, however, guard against an inflation of tax rate, particularly the school tax rate. As municipal government developed and provincial supervision increased, fixed assessments of sound industries has become unnecessary. It may be said that the direct and indirect bonusing of industries through tax exemptions and fixed assessments is on the way out.

The practice as to church tax exemptions varies from province to province. For the most part churches pay water, lighting and usually local improvement charges. The real property of some religious organizations that are not churches is exempt from taxation in some jurisdictions and not in others. The occasional conduct of religious services is sometimes regarded as sufficient to justify exemption from taxation.

As churches usually have few employees and as church buildings are not readily adaptable to other uses and have, therefore, little sale value, a school of thought has grown up which holds that the land on and within which a church stands should be taxed, but the buildings should be exempt from taxation, although receiving such services as fire and police protection.

Private Schools

The taxation of schools publicly owned and operated, is, of course, not feasible and would involve unnecessary bookkeeping, but the exemption of privately owned schools is on a different basis.

The reason usually given is that the latter takes part of the financial burden of maintaining schools from the shoulders of the public authorities by educating, at private expense, children who would otherwise have to be educated at public expense. It is further stated that parents of children who attend private schools, pay fees to the private schools and taxes to the public authorities. If the private schools were taxed, the taxes could only come out of the patrons who are already taxed for the support of publicly supported schools.

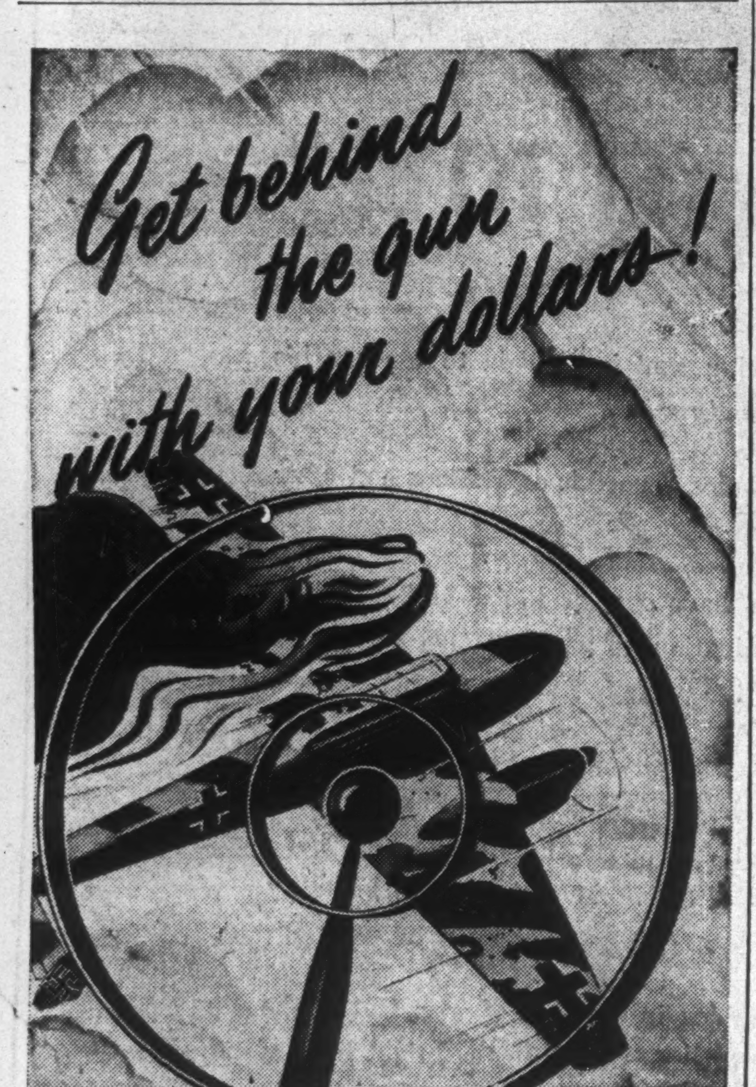
The nontaxing of private schools is, therefore, a form of subsidy. If schools are conducted for profit, it would seem that they should be taxed on the same basis as other private ventures.

Charitable institutions, publicly owned, operated or controlled are clearly distinct from those privately owned and operated. There would be no point in taxing the former. Not taxing the latter is a form of subsidy. The field of charitable institutions provides opportunities for fraud on the public, so that much care must be taken to ascertain, before granting exemption, whether or not each institution is bona fide charitable.

There can be no sound reason for exempting from taxation, completely or partially, the property of any undertaking conducted for profit, or of publicly owned utilities supported out of their own revenues.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES
Agency Building - - - - - Edmonton, Alta.
221 A 8th Ave. W. - - - - - Calgary, Alta.
McCallum-Hill Building - - - - Regina, Sask.
411 Avenue Building - - - - Saskatoon, Sask.

CANADIAN BANK NOTE COMPANY
LIMITED
STEEL ENGRAVERS AND PRINTERS
of
Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps
and all Documents of a Monetary Character
Head Office: 224 Wellington Street, Ottawa
Branch 25 King Street West, TORONTO
Branch 360 St. James Street West, MONTREAL
BUY WAR SAVINGS STAMPS AND CERTIFICATES



Back the Attack
—Buy MORE Victory Bonds!
Your dollars invested in Victory Bonds supply the ammunition that will blast the Axis from the skies, and the earth, and from under the sea.
Victory Bonds are also your safest investment and earn you 3% interest **each year**. In case of need they can be borrowed against at this Bank quickly and easily. They represent "Savings" which will be available to you for your needs and wants after the war. Victory Bonds are "good savings."
Buy Victory Bonds in two ways — from savings and on the instalment plan. If desired you can finance your purchase on easy terms.
BUY NOW AND URGE OTHERS TO DO LIKEWISE
The BANK of NOVA SCOTIA
Established 1832

"When will the war be over, Daddy?"
"THIS war will be over, darling, when children all over the world are free to play as you can without being bombed and machine-gunned by air raiders.
"This war will be over when bad men are no longer able to drag mothers and fathers from their children and put them in prison camps or to work as slaves in a strange country.
"This war will be over when we have made certain that enemy armies cannot steal food, and leave boys and girls -- big and little -- to starve to death.
"This war will be over when wicked men can no longer torture and murder peace-loving people just to satisfy their craze to run the world."
Hasten the day when with thankful hearts and profound relief we can say to our children "The world is free again."
Buy Victory Bonds to Your Utmost Limit!
THE LONDON LIFE INSURANCE COMPANY

Competent Management

Make sure that your dependents will secure the full benefit which your WILL provides for them by appointing the Montreal Trust Company as your Executor and Trustee. Competent management and sound administration go hand in hand. Secure both.

Montreal Trust Company
ESTABLISHED 1889
Montreal Trust Building, Toronto

Company Reports

M. & O. Paper

Minnesota & Ontario Paper Co. reports net income for the three months ended March 31, 1943, equivalent to 25 cents a share on its common stock. This compares with 31 cents a share earned in the corresponding quarter of 1942.

A feature of the latest statement is $126,768 provided for Canadian newsprint price stabilization. Sales volume is lower this year while costs are higher, thus accounting for the reduced profits. The company charged $330,621 for depreciation, included in cost of sales, in the latest period compared with $319,754 for depreciation and $109,946 for depletion in the first quarter of last year.

Consol. Income Statement—3 Mos. Ended March 31

	1943	1942
Net sales	$5,690,064	$6,171,824
Less: Cost of sales	4,498,201	4,287,686
Selling exp., etc.	438,154	497,583
Net oper. profit	753,710	1,386,555
Add: Other income	9,234	17,808
Gain on bonds pur.	20,314	27,211
Less: Can. price stabil.	126,768	......
Bond interest	108,467	120,393
Income & E. P. tax	204,600	899,400
Net income	343,423	411,780

National Pole

National Pole & Treating Co., subsidiary of Minnesota & Ontario Paper Co., reports a drop of about 37% in net sales in the first quarter of 1943 compared with the corresponding period of 1942. As a consequence, net income for the quarter is reduced to $12,627 from $21,088 a year ago. Depreciation charged this quarter, and included in cost of sales, amounts to $8,716 against $8,837 last year.

Profit & Loss—Quarters Ended March 31

	1943	1942
Net sales	$303,489	$481,463
Less: Cost of sales	256,551	361,928
Sell., admin., gen. exps.	23,765	30,270
Net oper. profit	23,174	89,266
Add: Other income	795	97
Less: Bond interest	2,042	5,075
Income tax	9,300	63,200
Net income	12,627	21,088

Inter City Baking

Inter City Baking Co.'s increased operating profits in the year ended January 31, 1943, were offset by the larger tax provision, with the result that earnings on the common stock amount to $5.11 a share, against $5.43 a share the year before.

The financial position of the company is further strengthened by reduction in the bonded debt, which now stands at $944,500. Working capital position was also slightly better in the year, investments in cash being appreciably higher.

Income, Surplus—Years Ended Jan. 3

	1943	1942
Gross income	$608,828	$422,882
Less: Bond interest	54,161	58,286
Depreciation	188,231	140,000
Exec. salaries	30,769	30,111
Directors' fees	500	600
Legal fees	630	576
Prem. bonds red.	1,330	413
Tax provision	295,000	78,000
Net profit	108,205	114,893
Less: Dividends	84,580	63,435
Surplus	23,625	51,458
Previous surplus	*471,058	434,600
Surplus forward	494,683	486,058
*Adjusted.		
Earned per Share	$5.11	$5.43
Working capital	$523,132	$516,741
Balance Sheet Changes		
Cash	$313,047	$408,618
Investments	332,898	150,148
Funded debt	944,500	1,041,500

Nova Scotia Light

Reflecting an all-time peak in operations, Nova Scotia Light & Power Co. reports a gross income in 1942 of $4.8 millions, as against $3.9 millions the year before. After taxes net earnings available on the common stock amounted to $8.06 a share, up from $7.41 the year before.

Consolidated balance sheet shows an increase in property account at $771,000, which accounts in part for the increase of $400,000 in bank loans to $500,000. There was the usual reduction in the bonded debt, while the working capital deficit stands at $944,848.

In his report to shareholders, J. C. Mackeen, president, states that the Lumsden plant, a new hydro-electric station on the Black River with a capacity of 4,500 h.p., was begun during 1942 and will be in operation this spring. Additional storage was secured on the Gaspereaux Lake by raising the control dams there, while the steam capacity of the Halifax station was increased by adding a new boiler and late in the year an order was placed for 10,000 kilowatt steam generating units.

Tramway travel reached its highest peak, Mr. Mackeen reported, with an increase of 37% over 1940. Additional cars were obtained and the company now has 75 trams in service, compared with 59 at the beginning of the war.

The increased demand for gas made it necessary to contract for an additional bench of four retorts, which will increase the company's gas-manufacturing capacity by one third.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Gross earnings	$4,788,585	$3,959,313
Less: Oper. exps.	2,015,779	1,719,763
Taxes (incl. inc. tax)	1,391,500	913,874
Depreciation	596,500	577,800
Avail. for fixed chgs.	784,805	747,877
Less: Int. & exchge.	316,201	301,760
Amort. of bond disct., etc.	44,620	44,634
Net income	423,984	401,483
Less: Pref. divds.	145,800	145,800
Ordinary divds.	207,138	207,138
Bal. to cons. surplus	71,046	48,545
Earn. per Com. Share	$8.06	$7.41
Paid per Com. Share	6.00	6.00
Working capital*	$944,848	$543,079
*Excess of current liabilities.		
Balance Sheet Changes		
Bank loans	$500,000	$400,000
Funded debt	7,449,500	7,480,000

Can. Ind. Alcohol

Canadian Industrial Alcohol Co.'s income for the three months ended Feb. 28, 1943, showed a moderate reduction from that reported a year ago. Due to lower provision for taxes, net profits were roughly the same.

For the first half of the fiscal year ended Feb. 28 last, total income of $805,562 was substantially ahead of the like period of the preceding year. Owing to a sharp increase in provision for taxes, net profits on the combined A and B stock amounted to 22.3 cents a share, compared with 23.8 cents a share the year before.

Earnings Statement
Three Months Ended Feb. 28

	1943	1942
Operating profit	$206,700	$246,238
Other income	32,714	20,015
Total income	239,414	266,252
Less: Exec. sals., etc.	9,772	10,450
Bank interest	......	39
Depreciation	41,405	43,332
Tax provision	73,119	95,980
Net profit	115,117	116,450
Six Months Ended Feb. 28		
Operating profit	$739,573	$602,768
Other income	65,989	31,153
Total income	805,562	633,922
Less: Exec. sals., etc.	19,334	19,443
Bank interest	......	211
Depreciation	82,684	82,721
Tax provision	455,651	266,873
Net profit	247,892	264,673

Inter. Holdings

International Holdings Ltd. reports income on a slightly lower basis in 1942, with net profit on the common stock amounting to 51 cents a share, compared with 55 cents a share the year before. Market value of the company's portfolios showed a substantial gain, being $12.1 millions at the end of 1942, as against $10.5 millions at the close of 1941.

Based on the balance sheet, and taking the investments at their market value, indicated breakup value of the common shares at the end of 1942 was $12.63 a share, against $11.56 at the end of 1941.

Income, Surplus—Years Ended Dec. 31

	1942	1941
Total income	$608,723	$691,673
Less: Taxes & chgs.	64,190	103,296
Interest	526	4,597
Gen. expenses	26,116	29,764
Directors' fees	6,961	6,822
Exec. salaries	7,500	5,130
Legal fees	3,416	3,079
Net income	500,018	538,983
Less: Dividends	488,261	585,913
Surplus	11,757	*46,930
Previous surplus‡	652,504	663,906
Surplus forward	664,262	616,976
*Deficit. ‡Adjusted.		
Balance Sheet Changes		
Portfolio	$13,909,507	$13,348,869
Market value	12,136,461	10,491,407
Cash	298,622	656,101
Bank loan	200,000	......

Montreal Light, Heat & Power Cons. has called by lot $174,000 principal amount of a 3½% twenty-year bond due 1956, payment to be made on June 1 and 102¼ in accrued interest.

Hamilton Bridge Co. shareholders elected W. B. Powell, Hamilton to the board of directors at the recent annual meeting, replacing John C. Newman, Montreal. Other directors and officers were re-elected.

Eastern Theatres shareholders were told recently at the annual meeting that earnings to date this year had been a little better than in the corresponding period of 1942 by R. W. Bolstad, president.

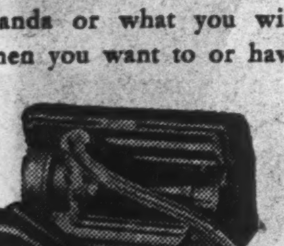
Let's free-woman-power for war jobs!

Wasted time benefits no one—not even the time-waster. It's no fun for a secretary to do her work twice . . . to take down what you say—then later to type out what you said. When you "say it to the Ediphone" you do your work in one motion—save not less than half of the secretary's work. And in these days everybody has a war job—if only to free others for war production, by being more efficient in regular jobs.

Ediphone Voice Writing is a man-power and woman-power multiplier. It permits you to dictate letters, memoranda or what you will when you want to or have the time, frees you from the necessity of having a stenographer at your side. It even allows you to use part-time office assistants — married women, for instance, who can work only four or five hours a day.

Ediphone equipment is available now only on the highest priorities. So make sure the Ediphone equipment you have is used to its utmost. Protect it so it will last for the duration. For details on the Edison War Protection Plan write or telephone "Ediphone" (your city) or Thomas A. Edison of Canada Ltd., 610 Bay Street, Toronto.

Sales and Service Offices throughout Canada.



EDISON VOICEWRITER Ediphone

"It's man-power in a box"

Posters Put COLOUR Within YOUR Reach

Only with Posters can you run full-colour advertising in large size, with unbroken continuity, at low cost. Why forego the extra dramatic values of colour when even modest local advertisers can afford it, on Posters.

POSTER ADVERTISING ASSOCIATION OF CANADA, 80 Richmond St. W., Toronto

BACK THE ATTACK

SURE we're *Backing the Attack!* Why not . . . we've got over 2800 of our CANCAR pals in the Armed Services already. These workers have joined the colours since the outbreak of war and today are serving on all fronts; in the Navy, in the Army, Air Force and the Women's Auxiliaries. You can bet we won't let them down. Not only that . . . lots of us have brothers, sons, husbands, sweethearts, relatives and friends in these same fighting services. Their needs are still closer to us and we're not going to let *them* down. Like our neighbours all around us we're wholeheartedly behind this drive. We're *Backing the Attack*, we're lending our money for Victory, we're buying more and more Victory Bonds.

Support the IV VICTORY LOAN

THE FAMILY OF
CANADIAN CAR & FOUNDRY COMPANY LIMITED
MONTREAL · FORT WILLIAM · BRANTFORD · AMHERST

Company Reports

Hydro-El. Securities

Hydro-Electric Securities reports a moderate improvement in net income in 1942 with earnings on the common stock of 12 cents a share, as against 11 cents a share the year before. Market value of the company's investments at the year end was $11.3 millions, compared with $9.8 millions a year ago. The break-up value of the common shares at the end of 1942 was $3.48 a share, compared with $2.56 at the end of 1941.

Income, Surplus—Years Ended Dec. 31	1942	1941
Total revenue	$668,064	$702,763
Less: Taxes & chgs.	109,951	148,270
Expenses, etc.	45,174	51,585
Net income	512,942	498,067
Less: Pfd. divds.	333,005	333,030
Surplus	179,937	165,037
Previous surplus*	1,505,633	1,300,115
Surplus forward	1,685,570	1,465,151
*Adjusted.		
Earned on Common	$0.12	$0.11
Balance Sheet Changes		
Portfolio	$20,659,493	$20,427,652
Market value	11,296,485	9,853,029
Cash	278,435	614,677
Preferred stock	6,609,610	6,660,610

Dominion Envelope

Plants of Dominion Envelope & Cartons (Western) are stated to be fully employed. Although more difficulty is being experienced in securing supplies of certain raw materials, satisfactory substitutes have to date been found.

At a special meeting on March 2, 1943, in Winnipeg, shareholders adopted a reorganization plan. By this plan holders of old 7% first preference shares receive $22 in cash, one new 7% cumulative redeemable preference share of $50 par and redeemable at $55 and five no par common shares for each existing 7% preference share of $100 par held.

Holders of the old 7% second preference shares receive 15 new common shares for each old share held. Holders of each old common share received a new common share in exchange.

By these changes the company's capital is reduced from $540,534 to $449,674 by payment of $90,860 in cash to holders of former 7% first preference shares. Authorized capital now consists of 4,130 shares of 7% cumulative redeemable preference shares of $50 par value and 100,000 no par common shares. Holders of old preference shares will receive 29,950 common shares and holders of old common 36,250 shares.

Income, Surplus—Years Ended Dec. 31		
Operating profit	$149,753	$129,185
Less: Depreciation	28,707	29,857
Income & E. P. tax.	62,128	37,023
Sundry deductions	1,695	3,668
Net profit	57,223	58,637
Less: Pref. divds.	33,268	33,775
Surplus for year	23,955	24,862
Add: Prev. surplus	54,456	34,440
Less: Cost pref. red.	4,868	4,846
Earned surplus forw'd	73,543	54,456
Earned per share:		
Common	$0.67	$0.69
No dividends paid.		
Working capital	$346,777	$306,147
Cash	$122,144	$66,358
Investments	27,000	26,938
Accts. receivable	117,516	106,736
Bank loans	25,000	......

Dominion Foundries

Operating profit of Dominion Foundries & Steel for 1942 increased to approximately 50% above that of 1941 but higher taxes resulted in only a small portion of this being carried to net profit, and none when refundable excess profits tax is not included in the year's earnings. C. W. Sherman, president, reports that the company's output has more than doubled since 1939. Added finishing plants are in primary steel and balance for the increased production but not for finishing peacetime sales up to the present total production.

Ceiling prices, increased raw material costs, taxes and the 1937-39 limit on net earnings keep results under strict control, states Mr. Sherman. Future problems are being given consideration, both by the company and by the government, to promote production and employment. Through its production of commercial plate steel, cold reduced steel, alloy plate steel and cold reduced tin plate, all of which will be in continued demand, the company derives confidence in its future.

Income, Surplus—Years Ended Dec. 31	1942	1941
Net oper. profit*	$2,891,888	$1,945,520
Less: Inc. & E. P. tax	†1,850,000	850,000
Net profit	1,041,888	1,095,520
Less: Pref. divds.	72,000	72,000
Common divds.	456,266	456,266
Surplus for year	513,622	567,254
Add: Prev. surplus	3,204,045	2,636,791
Refundable E.P.T.	115,000	......
Surplus forward	3,832,667	3,204,045

†Includes $115,000 refundable E.P.T. which company accounts include in year's profits, and additional prior year's taxes.

*After deducting:		
Depreciation	‡4,950,368	‡1,778,172
Empl. saving fund	389,998	325,329
Prov. for conting.	......	227,599
Inventory res.	150,000	......
Exec. salaries	101,260	101,060
Legal fees	4,300	21,200
Directors' fees	2,440	2,630

‡Includes amortization of plant expenditures for war purposes.

Earned per share:		
Common	$2.66	$2.80
Paid	1.25	1.25
Working capital	$3,649,888	$2,748,281
Balance Sheet Changes		
Cash	$979,779	$1,222,277
Investments	803,629	......
Receivables	2,260,205	1,918,145
Inventories	2,508,707	2,349,997
Fixed assets	16,853,410	12,291,029
Less: Depreciation	11,318,171	6,367,802

Canadian Pacific

Despite an increase of $5.6 millions in revenues net operating income of Canadian Pacific Railway for the first quarter of 1943 showed a decline of $1.3 million from the like period of 1942.

Gross earnings for the three months reached the high figure of $63.3 millions, as against $57.6 millions a year ago. Working expenses increased nearly $7 millions, leaving net earnings of $8.7 millions.

The downward trend in net operating revenue which has been apparent for several months, continued in March. Gross income was up nearly $3.3 millions, but working expenses were higher resulting in a drop of $168,516 in net earnings which totalled $3.6 millions.

March	1943	1942
Gross earnings	$24,021,211	$20,746,457
Working expenses	20,403,792	16,960,522
Net earnings	3,617,419	3,785,935
Three Months Ended March		
Gross earnings	$63,282,657	$57,644,844
Working expenses	54,605,215	47,660,833
Net earnings	8,677,442	9,984,011

Ottawa Car

Ottawa Car & Aircraft Ltd. reports a moderate improvement in gross and net earnings for 1942.

The volume of business handled last year was somewhat larger than in 1941 and the company has on hand substantial orders to carry forward to 1943, according to Harold W. Soper, president of the company. Last year's accounts, he mentioned, include a non-recurring dividend of $24,998 from the company's investment in Canadian Associated Aircraft Ltd. This works out to 27 cents a share.

Balance sheet shows a further improvement in working capital. There was an increase in bank indebtedness.

Income, Surplus—Years Ended Dec. 31	1942	1941
Operating profit	$326,845	$295,855
Less: Exec. sals. & fees	30,334	36,990
Depreciation	171,992	173,728
Income taxes	60,000	45,000
Net profit	64,518	40,138
Divd. from Can. Assoc. Aircraft	24,999	......
Other income	14,344	13,445
Net profit	103,861	53,583
Less: Dividends	......	54,000
Transferred to surplus	103,861	*417
Earned per share	$1.15	$0.60
*Deficit.		
Working capital	$531,469	$251,926
Balance Sheet Changes		
Accts. receivable	$885,987	$900,040
Inventories	547,077	652,308
Bank loans	588,491	298,800

Can. Inter. Paper

Falling off in sales finds reflection in gross and net income of Canadian International Paper Co. The report for 1942 shows a net operating income of $9.5 millions, as against $15.6 millions in 1941. Net loss last year totalled $354,180 after bringing forward $261,212 excess reserve for taxes provided in prior years. This contrasts with a net loss in 1941 of $322,583 when the accounts included $2.2 millions for taxes to cover prior years.

The balance sheet shows a sharp gain in working capital, the increase amounting to almost 25%.

Cons. Income & Surplus Account Years Ended Dec. 31	1942	1941
Gross sales	$52,070,995	$57,357,726
Other income	3,985,370	4,511,197
Less: Costs & exps.	46,491,245	46,268,458
Net revenue	9,565,120	15,600,464
Less: Sub. bond int.	745,246	754,532
1st mort. int.	1,007,102	1,111,883
Other interest	1,791,710	1,807,280
Debt amort.	340,217	335,648
Depreciation	5,153,070	5,114,510
Depletion	618,318	570,201
Tax provision	*254,647	‡6,228,989
Net loss	354,180	322,583
Previous deficit	14,641,380	14,276,439
Less: Bonds redeem.	......	42,358
Deficit forward	14,995,560	14,641,380

*Year's tax provision $515,850, less $261,212 excess reserve for taxes provided in prior years. ‡Includes $2,223,831 for prior years.

Working capital	$30,405,160	$24,750,727
Balance Sheet Changes		
Investments	$2,187,514	$1,269,426
Cash	2,779,526	4,538,017
Treasury bills	6,991,061	5,992,058
Accts. receivable	5,295,179	9,246,113
Inventory	19,866,689	18,235,857
Funded debt	54,175,126	55,245,511
Due to affiliates	20,431,050	18,001,382

Canada Northern Power

Gross and net earnings of Canada Northern Power Corp. show a moderate decline in March as compared with the same month a year ago. Net earnings of $212,973 were $19,852 less than in March 1942, before provision for income and excess profit taxes.

For the first quarter of 1943 the company reports a gross revenue of just under $1.1 million, or $72,075 less than for the like quarter of 1942. Operating expenses declined only $13,946, leaving net earnings of $656,457. This represented a drop of $58,129 from the preceding year's figures.

March	1943	1942
Gross earnings	$362,515	$384,335
Oper. expenses	149,542	151,510
Net earnings	212,973	232,825
Three Months Ended March		
Gross earnings	$1,093,035	$1,165,110
Oper. expenses	436,578	450,524
Net earnings	656,457	714,586

Note:—Operating expenses do not include income and excess profit taxes.

Radio in War

Television Gets Wings

Although television and its numerous applications have become key factors in war, very little has been published on the development to date. The Financial Post reprints the following article from the London "News Chronicle" and the New York "Radio and Television Weekly."

By S. L. SOLON

The application of television to warfare has interested experimenters for a number of years. Reconnaissance by the use of television to send back instantly the results of the survey made by observers in aircraft or scout cars would give a commander definite advantage over an enemy using slower methods of transmitting information.

The chief obstacles have been:

1. Lack of definition of the televised image, and
2. The weight of the transmitmitting equipment.

The first obstacle has been overcome. Television today is able to send clear-cut images comparable to good photography.

The second obstacle is no longer as important as it formerly was. The Italian Air Force was believed to have overcome the weight difficulty and successfully used television in reconnaissance. There is reason to believe that Britain, which before the war led the world in television, has not lagged behind.

Pre-war Progress

Methods to use television for the steering of mechanized equipment and aircraft were fully designed before the war. There is an apparatus which enables the navigator to receive the televised picture of a compass scale on which his bearings are clearly marked. This is an improvement over the older DF system which requires the navigator to know Morse in order to interpret the signals flashed from the beacon station.

In cases of poor visibility television may be used to project a picture of the landing field on the dashboard of the plane with a moving spot of light to represent the aircraft's own position in relation to the field. By watching the moving light on the fluorescent screen the pilot can follow his course of flight into the airdrome.

The development of facsimile transmission by wireless also has important military application. The Royal Canadian Corps of Signals has been testing machines for the transmisison of printed matter since the war.

It is possible by means of this equipment to send maps, messages, documents in identical reproduction to distant receiving stations. Both transmitting and sending sets, plus the power unit, can be transported in a small lorry.

Range Increasing

The fact that television signals did not follow the curvature of the earth, but moved in a straight line into space, limited the effective range to about 30 miles.

In February, 1940, David Sarnoff, president of the Radio Corporation of America, announced that the problem of distance television had at last been solved. By the erection of mechanical relay stations 30 miles apart the original signals sent out on a frequency of 45,250 kilocycles could be converted to 500,000 kilocyles until the distant broadcasting station was reached, when they could be reconverted to the lower frequency.

The result is that television today may have the same limitless audience as sound broadcasting. How soon this "missing link of television"—as Mr. Sarnoff described it — will be generally adapted for military purposes such as training, information in the field, etc., is any layman's guess.

J. L. Baird's outstanding work in color television has introduced another important element for future military radio. Color transmission of battle scenes by wireless may one day constitute the primary source of information for the commander in directing his forces.

Such are the dramatic potentialities of wireless warfare in outline. However, there are many applications of radio to the war effort which, though less sensational, are of high importance. New inventions and new techniques are coming from the laboratories constantly.

The war has accelerated the development of directional broadcasting to reduce wasted radiation to a minimum. By the use of carefully calculated directional aerial systems the transmission of energy can be directed according to the needs of the area served by the broadcasting station.

The aerial system of the Midland Regional Transmitter, for example, serving the Midland counties from Gloucestershire to Nottinghamshire, was designed so that the energy would be concentrated in the northeast direction. Other areas with special problems have been similarly equipped with special aerial systems.

The story of how radio has been used to further weather forecasting is one of the most fascinating chapters of the war. In July, 1941, I stood on the deck of the American Export Lines S.S. Exeter steaming between New York and Lisbon and watched the inauguration of the short-wave radio balloon weather forecasting service introduced by the U. S. Meteorological Department on the high seas.

Weather Pilot

In stormy weather a young meteorologist released a large pear-shaped silk balloon from the upper deck. Several minutes later with the balloon miles away the automatic short-wave apparatus began to send signals back to the receiving apparatus aboard ship. It told the full details of barometric pressures and temperature as it ascended miles into the stratosphere.

These reports recorded automatically on charts in the receiving apparatus were radioed to the meteorological station in Long Island, where a composite picture of Atlantic weather conditions was obtained.

This new method, now generally utilized, has placed long-range weather forecasting on a completely scientific basis. Its importance for long-distance flights cannot be exaggerated. It is the silent service of the air, working day and night on the high seas, in calm and storm, which makes modern air traffic possible.

In America RCA engineers have developed a new method of sounding ARP and emergency warnings over the wireless. By equipping each receiving set with a special fixed-tune three-valve receiver, which is kept switched on, the entire population could be called to attention in a few seconds.

Radio Alarm Clock

The announcer simply plugs into the microphone circuit an oscillator unit which modulates the carrier wave to an agreed frequency, which is picked up by the receiver. The signal can be used to operate an electric bell or switch on a light calling the householder to the wireless to listen to the announcement. The special receiver can operate from batteries so that if the power mains are cut off it will not prevent the emergency signal from being received.

Radio altimeters to tell the height of a craft above a reflecting surface by transmitting radio energy of varying wavelength, and heterodyning the wave returned after reflection with the wave then being radiated, have been greatly improved. New inventions make it possible to do away with the undesired harmonic frequencies which interfere with its operation. High-speed wireless for sending thousands of words in a few minutes is perfectly feasible. The messages are simply sent at top speed through the transmitter and then picked up by the receiving station recorder operating at the same speed. The records can then be run through a reproducer at normal speed for transcription.

Medical Wireless

Wireless also plays its part in military medicine. High frequency waves are used in the hospital for therapeutic purposes as well as for sterilizing substances. The many developments in this field will have widespread peacetime application.

The big and the little in wireless — radiolocation sending out its ubiquitous blanket of electromagnetic waves which reflect back from aircraft indicating their position, and the finely-wrought inter-radio communication systems in mechanized engines of war—they are all playing their part. And in their laboratories, on the battlefields of science, the field-marshals of invention carry on. Men like Sir Robert Watson Watt and Sir Edward Victor Appleton help to keep Britain in the forefront in radio technique.

The Canada Life Urges You To

Back the Attack WITH VICTORY BONDS

Let's make DEMOCRACY work

FINANCIAL MEASURES are one of the means by which we link the whole war program together. They are one of the means through which each person has his share in this war.

"Taxes and loans," said Finance Minister Ilsley to the Dominion Parliament, "are not exactions from the people by a government. They are weapons which the people through their elected representatives and the free methods of democracy have fashioned for their own use and their common purpose."

"We cannot all man guns and planes and ships, but the Canadian people have shown . . . that they are ready to wield these weapons, each according to his strength and all against the people's enemies."

This Company, its employees and all its wide-flung organization extending from the Gulf of St. Lawrence to Lake Superior, sets out in the Fourth Victory Loan Campaign to outdo all their past efforts, in the full realization that this is one of the most effective ways the home front can contribute to victory.

Let's make democracy work by buying more

VICTORY BONDS

THE ONTARIO PAPER COMPANY LIMITED

Mills at Thorold, Ontario and Baie Comeau, Quebec. Quebec Subsidiary: Quebec North Shore Paper Company Montreal.

★

Pulpwood Stations: Franquelin and Shelter Bay, Quebec and Heron Bay, Ontario.

"GIVE US A HAND, MAC— WE'RE NOT ON ANY PLEASURE TRIP!"

IT'S a tough, grim life they've chosen—those loyal, hard-bitten men who get the cargoes through. On watch, the hours are long and cold and lonely . . . then, below for a snatch of sleep that may be broken at any moment by the call of danger. There's never an instant's truce with the enemy. Always the threat of death hangs over them . . . spitting death from the air, flaming death from oil, numbing death in icy water . . .

They fight the elemental fight, because the cargoes MUST go across. They fight for *you!*

Think of that when you ask yourself, "Can I afford a Victory Bond?" For those who sacrifice so much, can you refuse a little self-denial? Can you hold back your dollars when they don't hold back their lives?

Ask yourself, "Can't I buy a *bigger* Bond this year?" Or plan to buy *two*, one from savings and one on the instalment plan from earnings. Do your part by buying *more* Victory bonds!

BACK THE ATTACK— BUY *more* VICTORY BONDS

CONTRIBUTED BY JOHN LABATT LIMITED, LONDON, CANADA

Montreal Tram Plans Subways

Consider Project as Post-war Job to Relieve Traffic Congestion

From Our Own Correspondent

MONTREAL. — Subways and grade crossings to relieve traffic congestion are under study by Montreal Tramways Co., R. N. Watt, president, reported at the annual meeting of shareholders.

"The problem is an intricate one calling for the knowledge and experience with traffic of engineering experts," Mr. Watt stated, "but I am hopeful that before the end of the year plans can be evolved which will receive the endorsement of the joint committee on plans for post-war development."

Traffic Load Heavy

Demands on the services of Montreal Tramways continues to increase and in the period from Jan. 1, to April 20, this year, the company carried 106,416,294 passengers or a week day average 1,011,105. The tramcars must have travelled 16,275,106 miles or a week day average of 125,423. On March 13, Mr. Watt said, the company carried 1,226,488 passengers, an all-time high.

The company is still experiencing great difficulty in obtaining new equipment, he said, but the transit controller has now indicated that the company may possibly obtain 40 large motor buses from manufacturers in the United States to be delivered before the end of the year. If these deliveries are made the buses will be placed immediately in service.

Labor Pool

Winnipeg's "Labor Surplus"

Observer Reports Reserve of 5,500 Doesn't Really Exist

WINNIPEG

Winnipeg has a very handsome labor surplus—on paper.

Selective Service rolls show the number of unemployed persons, of varying degrees of skill, at about 5,500.

Labor Union spokesmen say there is a definite surplus of skilled laborers in some trades.

But . . .

Two firms in eastern Canada have representatives seeking workers in Winnipeg now. They cannot find men who will take the jobs offered.

Farms and mines in the province need far more men than they can get.

Several months ago a call went out for bricklayers to work in Sarnia. Four men answered the call.

During the winter, fuel dealers had difficulty in finding men to deliver coal.

A call for 200 laborers to work in eastern Canada last summer flushed about 50 men.

To add to this seeming paradox, W. H. Darracott, Selective Service chief for Manitoba, says "we are scraping the sides of the manpower reservoir in Manitoba now."

An examination of Selective Service "work wanted" rolls shows why the apparent labor "surplus" of 2,596 men and 2,820 women is not real.

Partial Workers

Among the men listed are those who are working at present but want better or different jobs; men who are partially employed and only employable on part time jobs. Among the women are many who have not been employed previously but who want some kind of war work and, of course, women who are employed but want better jobs.

There are men, too, who are not fully employed but who, for one reason or another, do not want to leave Winnipeg to work in eastern Canada or on farms and in mines.

There are no available figures to show how large a percentage of Manitoba's labor "surplus" is represented by these groups; but it is apparent that there are few skilled or unskilled workers who are unemployed in the strict sense of the word.

Construction Surplus

Labor spokesmen contend there are many skilled construction workers who are out of work, while there is a shortage of skilled mechanics.

Certainly the limited military construction in Manitoba and more limited civilian construction has been insufficient to absorb men in the building trades.

Several hundred building trades workers have gone out to British Columbia to work on construction projects. These men are still listed as members of Winnipeg unions and when the number of men on the union roster is compared with the number employed in the province, a large surplus seems to exist. A call for construction workers for employment in Winnipeg would bring a fair response—but no stampede.

Recently 120 men were left without work when production in the Transcona cordite plant was curtailed. The men were given "open permits," permits that allowed them to seek work where they chose. They have had no difficulty in finding new jobs. "They are finding work just as soon as they are laid off," a Selective Service source reports.

Mine Shortage

Spring seeding on prairie farms has caused a temporary shortage of workers in the Sherritt Gordon mine in northern Manitoba.

In an effort to step up the mine's output from an average monthly production of 2,111 tons to the 3,000-ton average asked by the government, a great many Saskatchewan farmers were taken on during the winter.

Last month there were 600 men at work in the mine. Then the farmer-employees were released to work in the fields, cutting down the roll to about 450. Most of these farmers are expected to return in about five weeks when the spring seeding is finished.

In the meantime, the mine continues to operate, but the output has been reduced to about 2,400 tons. There was a three-day shut-down recently for machinery overhaul.

Canadian Car Plan Passes

Adopted Scheme Liquidates Preferred Dividend Arrears of $9.55 a Share

From Our Own Correspondent

MONTREAL.—Canadian Car & Foundry Co.'s plan for liquidation of $9.55 arrears of dividends on the preferred stock has been approved by both preferred and common shareholders.

At the meeting of the preferred shareholders a motion was defeated to provide for an increase in the cash payment from $2.55 to $3.55 a share.

At the special meeting of shareholders an amendment to the plan was introduced calling for an increase in cash payment from $2.55 to $3.55, a reduction in the call price of the preferred from $35 to $30, elimination of the preferred sinking fund and the elimination of restrictions on common dividends. This amendment was defeated by a large majority.

Under the approved plan the dividend on the preferred has been increased from $1.75 to $2.10, while a cash payment of $2.55 a share will be made to the holders. The annual dividend requirements on the preferred will now amount to $588,000, as against $490,000, an increase of $98,000. The cash distribution will involve an outlay of $714,000.

Wabana Ore Mines Reopened by Dosco

Operations will be resumed immediately in the Wabana Ore Mines at Belle Island, according to a statement issued by H. J. Kelley, vice-president of Dominion Steel and Coal Corp. Mines will be operated on a four day a week basis for the present, he said, and 2,000 men will be employed.

The mines were closed down early this year because of full stock piles and the difficulties of securing shipping transportation. Because of the latter factor, Dosco reopened the old Bathurst iron mines in New Brunswick.

Robert Gair Co. reports a sharp decline in net profits for the first quarter. This year the company only earned the equivalent of eight cents a share on its common, after interest and preferred dividends, compared with 26 cents a share in the corresponding three months ended March 31, 1942. Quarterly earnings were $154,199 this year against $354,208 last year.

THE STANDARD LIFE ASSURANCE COMPANY

THE STANDARD LIFE EDINBURGH
A mutual office noted throughout the world for its soundness and strength.

HEAD OFFICE : 3 GEORGE STREET, EDINBURGH

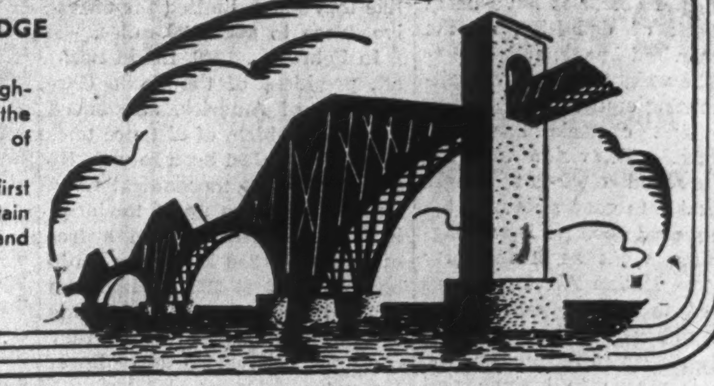
Head Office for Canada : 391 ST. JAMES STREET, MONTREAL

Branch Offices are maintained in the following cities :— TORONTO, LONDON, OTTAWA, and HAMILTON, ONT. ; MONTREAL, P.Q. ; FREDERICTON and SAINT JOHN, N.B. ; HALIFAX, N.S. ; and VANCOUVER, B.C.

DOUBLE PROTECTION
LIFE ASSURANCE AT LOW COST
WITH DOUBLE PROTECTION
WHEN IT IS MOST NEEDED

Write for particulars to the Local Branch Office.

THE FORTH BRIDGE EDINBURGH
A bridge noted throughout the world for the outstanding strength of its construction.
The scene of the first bombing raid in Britain —it stands proud and unscarred.



NOTICE
TO SMOKERS OF IMPORTED MIXTURES

The wartime disappearance of imported smoking mixtures from the Canadian market entails no hardship on Canadian pipe smokers, for Canadian-made Piccadilly is specially blended to please the most exacting tastes.

Piccadilly
LONDON
SMOKING MIXTURE
Try it to-day

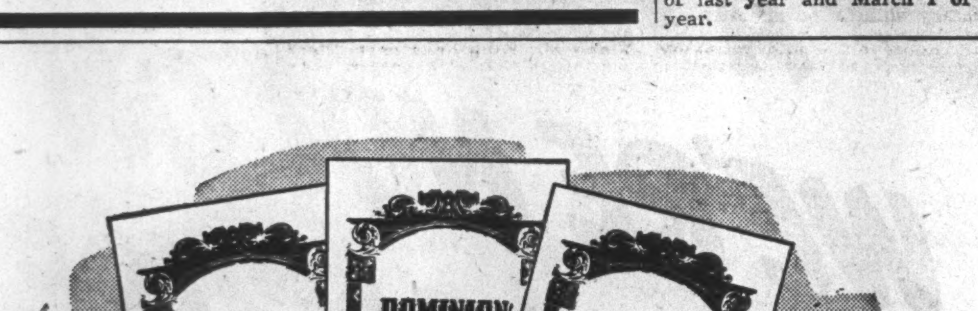
Canadian Marconi Co. Business Holds Up

Canadian Marconi Co.'s current business continues good, shareholders were told at the annual meeting.

The new plant planned for the manufacture of radio and quartz crystals is almost completed and occupation of the building should take place shortly.

In response to a shareholder's question, Dr. Milton Hersey, who occupied the chair in the absence of the president, A. H. Ginman, stated that all work on television for general public use has been suspended for the duration, but should be taken up again after the war.

Dominion - Scottish Investments Ltd. has declared a dividend of $1 a share on its preference stock, payable June 1, 1943, to shareholders of record April 30. Following this payment, arrears on this stock will amount to $5.75 a share. The company made 50c. payments on Dec. 1 of last year and March 1 of this year.



A Great War Investment
with
A Great Peacetime Value

YOUR present earnings and savings can safely be invested in Victory Bonds. Invest all you can in these securities — backed by all the great resources of Canada—yielding a good rate of interest.

At the end of the war you will have a Victory Fund of your own with which to buy many things not obtainable now.

There are no better reserves than Victory Bonds. They are always immediately saleable if you need cash. They are always first-grade security for credit.

Give a friendly, attentive hearing to the Victory Loan Salesman who calls on you. He is an *authorized* salesman with proper credentials . . . able to explain fully the purpose of this Victory Loan and how you may subscribe conveniently, safely . . . on easy payment terms, if you so desire.

WE'LL LEND MONEY

If you need money to buy Victory Bonds the Bank will lend it to you on easy repayment terms. The interest on the loan for six months would be the same as that payable on the Bond. You can, therefore, borrow the required funds without expense.

THE CANADIAN BANK OF COMMERCE

Established 1867

RT. HON. SIR THOMAS WHITE, G.C.M.G., *Chairman of the Board*

S. H. LOGAN, *President* — A. E. ARSCOTT, *Executive Vice-President* — S. M. WEDD, *General Manager*

636

● The forces that will bring us Victory are moving to the attack, and in their ranks gallant Canadian airmen, sailors and soldiers are fighting stoutly for our freedom.

But . . . attack takes more of everything, and Canada must back the attack. Our troops must not lack a single item of equipment or munitions that will help them to win a Victorious Peace.

Buy Victory Bonds now. Even if you have bought before, buy again, and buy more this time. You are LENDING your money on the safest security in the world, backed by all the wealth and resources of Canada.

Buy all the Bonds you can for cash . . . then buy more on the Instalment Plan. The need is greater than ever . . . Canada is counting on YOU to Back the Attack!

Buy VICTORY BONDS!

GOOD RICH REFINING COMPANY LIMITED
Canada's Largest Independent Refinery
PORT CREDIT - - - ONTARIO

THE FINANCIAL POST
Canada's Foremost Business Newspaper
Toronto, May 8, 1943

Ending Toronto Traffic Congestion Viewed as Major Postwar Project

Would provide system of tunnels and private rights-of-way for street cars in crowded downtown areas — Might employ three to four thousand men for ten or fifteen years

By GORDON L. SMITH

Almost as soon as the peace is signed, a construction job of huge proportions could start in Toronto if the citizens of that municipality are willing and financial difficulties can be solved. This is the much discussed scheme of providing a rapid transit system for Ontario's capital. The project would provide a private right of way for the city's main street railways and by relieving the present serious congestion, would speed up transport to the downtown areas.

Such a project has immense potential significance as a work-producer in the transition and postwar period.

Combine Subway and Surface

The complete job involves about seven miles of shallow subways and diagonal private surface lines of about the same length. The total cost is estimated between $40 and $45 millions and time required to complete, at least four years. But the project could be broken up into several distinct stages, each one complete in itself and providing certain definite transit advantages. The work and cost in this way could be spread over almost as many years as desired.

Big Labor Project

Until definite plans and estimates are prepared, engineers are exceedingly loath to commit themselves as to the exact volume of employment this project would provide. They point out that much would depend upon what type of subway was selected, the elaborateness of the stations and other equipment. On the basis of similar subways at Boston and Philadelphia and construction work generally, however, they suggest that the division between materials and labor might be approximately fifty-fifty.

In other words, if the Toronto Transportation Commission were given authority to proceed with the project at say $8 millions a year, about $4 millions of this would go for labor and the remainder for equipment and more or less prefabricated supplies. In the end, of course, practically all of the latter would ultimately break down into labor, the immense amount of steel, wire, rails, cables, pipes, tile, cement, lumber and specialized electrical ventilating and other equipment, providing work for thousands of men in Toronto and other Canadian factories.

In total expenditure, and in labor employed, the project would probably be twice as important as the job of completely renovating the old Toronto street railway system, the T.T.C. undertook between 1921 and 1923. Then all the main lines in Toronto were rebuilt at a total cost of some $25 millions and about 3,800 men were employed during the peak of construction. As in that previous job, practically every type of labor would participate. In addition to great numbers of unskilled construction labor, a small army of electrical workers, steel workers, plumbers, sheet metal workers, carpenters, bricklayers, tilesetters, welders and other special mechanics would be employed.

Not Separate Subway System

The scheme is not to be confused with the elaborate, costly and completely separate subway systems of New York or Chicago. In the Toronto plan no separate underground with heavy, high speed trains, is contemplated.

Practically no change in running equipment would be necessary. The only difference would be that instead of competing with automotive traffic and street crossing pedestrians in the heart of the city, the street cars would speed along shallow subways and private surface right of ways until they reached the more open sections where they would come onto the regular streets and tracks. As planned at present, it would not be a case of two fares, one for the subway and one for the surface, or even of transferring from one to the other. The same car in many cases would travel the whole route under and on the streets.

Old Yardsticks Obsolete

Sponsors of the rapid transit plan point out that there has been a great deal of misconception over subway costs and their place in the general development. The somewhat popular belief that a city must have a population of a million before it can afford a subway system, they declare, is based on conditions that prevailed in the pre-motor car era. Then, cities were concentrated, short rides took a man to and from his work, and when population reached a certain point, it became practical to supplement surface street cars with a separate system of subways.

It was simply a case of load. At a certain stage, there developed enough business to the point when the authorities decided that a second system of transit was warranted. Such conditions, it is contended, do not fit today.

Change in Growth Trends

Toronto, in common with most other big cities in eastern North America, has experienced a significant change in growth. When the T.T.C. took over the old Toronto Railway Co. just after the first Great War, over 90% of the people living in the metropolitan area were located within the boundaries of the city itself. Today, the proportion has shrunk to about 60%. Toronto's population was then about half a million. Since 1921 there has been a moderate growth in the city itself but a huge expansion in the self administered suburbs. Such places as Forest Hill Village, York Township, Leaside, New Toronto, Mimico, etc., have sprung up. Three or four hundred thousand people now live in these areas bringing the population of greater Toronto close to the million mark. The result is that the T.T.C. must carry a great many of these suburbanites from the outskirts of the city right down to the central areas. And within the city itself, too, the trend of population movement has been outward from the centre.

As a result of this growth, certain main street car lines in Toronto, even before the war, were carrying more passengers through the central areas than the rapid transit subways of Boston and Philadelphia. In the same period, too, there has developed an enormous increase in motor traffic, necessitating traffic lights at every main street corner and endless delays for the tramways.

Only Two Solutions

Only two solutions are offered for the present difficulties, according to traffic and town planning authorities.

Either the old, narrow downtown streets, laid out over a century ago, will have to be widened to three or four times their present width or,

Street cars will have to be separated from automotive and pedestrian traffic.

First solution, it is claimed, would be enormously expensive. To widen Toronto's main north and south artery alone, Yonge Street, it is claimed would cost probably $50 millions in the expropriation of private property and adjustment of public services, such as sewers, water and gas mains. And this would not provide a great deal in the way of postwar employment because so much of the money would go for the purchase of land. For the same expenditure, subways and private surface right of ways could be provided to cover the whole city and practically all of the outlay would go into employment, either directly through actual construction work or through materials and equipment purchased. There would be little disturbance to existing services like gas, sewer, power and water mains. The subways would run beneath most of them. And because the private surface right of ways would largely traverse publicly owned property, there would be no huge bills for expropriating privately owned property.

Traffic Speed Vital

Moreover, the second solution would greatly speed up traffic, whereas, even if the streets were widened, the tramways would still have to contend with motor traffic, would have to halt for street crossing pedestrians, and would be held up by the numerous traffic lights, street intersections, etc.

The subway portions of the system, too, would be free from weather interference, a most important consideration in the winter months when snow or ice may cut the efficiency of the public transportation services by 75%. It is estimated that with the subways and private surface right of way plan, street cars could make the trip from downtown to the city limits and vice versa in from one third to one half the time now necessary.

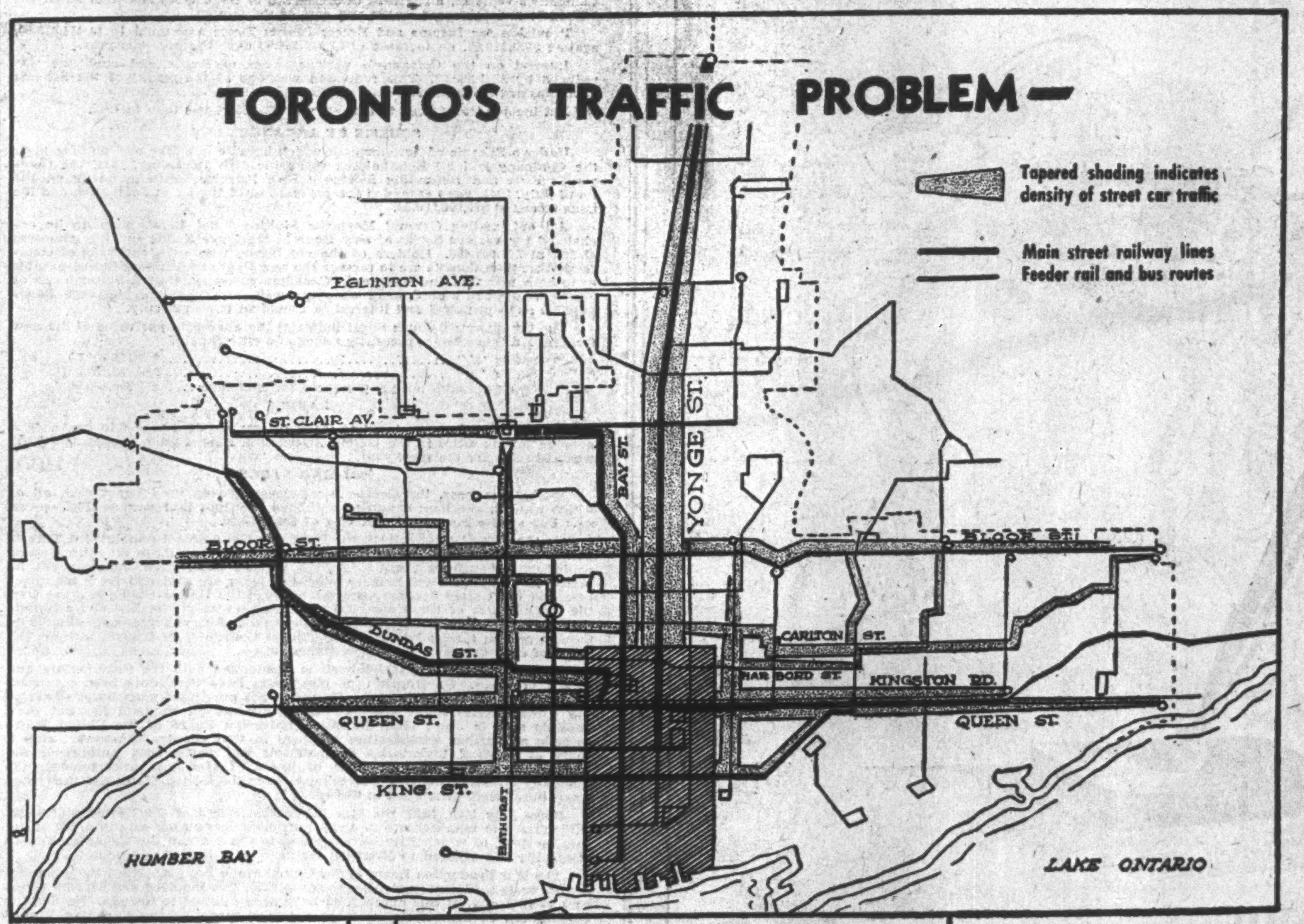
On the main street railway lines in the central areas of Toronto today, running speed is down to close to six miles an hour and was actually down to that in some cases even during the only moderately busy times of 1935 and 1936. Due to the sharp decrease in motor traffic in the last year or two, there has been some improvement in speed but the service is admittedly slow and of course after the peace the problem of the delaying motor car will again be back in full force.

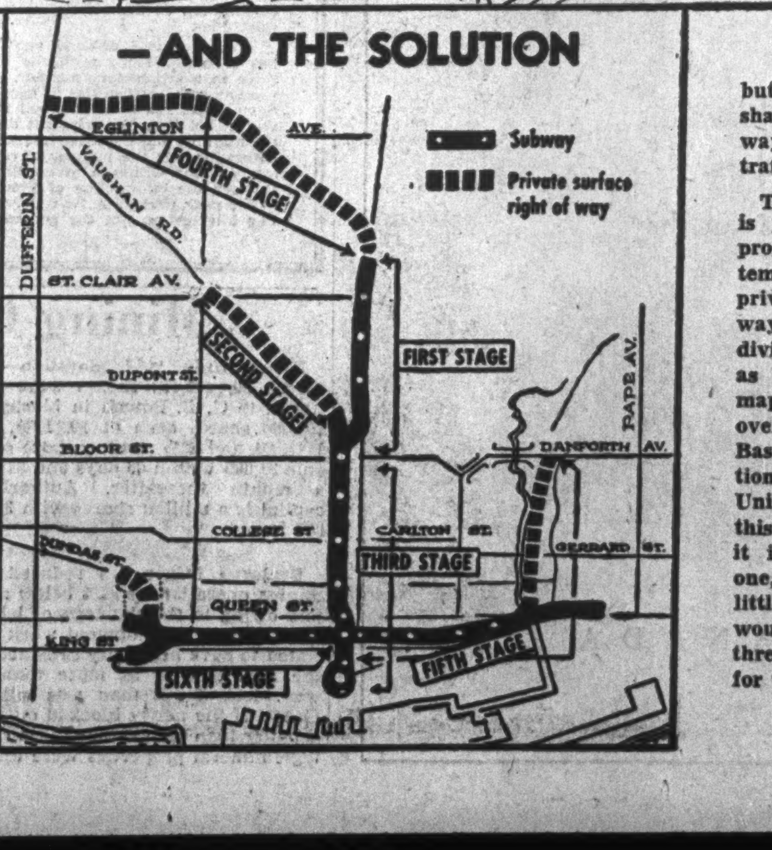
Might Treble Load

It is not a case of lack of equipment, the authorities point out, but lack of speed. Along the busy streets in the rush hours, no more cars can be put on than at present because the tracks are practically full. In any case it would be impossible to bring back the empty return cars fast enough to put more of them on the tracks even if room were available. With the rapid transit planned, speed could be doubled or trebled in the downtown area during rush hours and so could the load carried by the same equipment.

Would Fit at Postwar

As the small map on this page shows, the plan could be carried out in separate stages and thus adapted to fit into any national postwar employment scheme. The first step would be to relieve the worst bottlenecks in the north and south congestion. Later stages would open up arteries east and west and these, like the north and south subways would consolidate the street car traffic of the two or three existing parallel surface lines at present. Once out into the open areas at the end of the subways, then this through traffic could spread out again and be distributed as at present to its various destinations.





Every week-day afternoon between the hours of four and six, Toronto street cars carry 55,000 people from the downtown areas to their homes in other parts of the city and the big suburbs in the east, north and west. Every morning between seven and nine the process is repeated in reverse. On the main line north and south the flow reaches a peak of over 7,000 passengers an hour and the 15 other major lines running into the area carry between two and four thousand each.

Handling such congestion is not a wartime problem, it has been serious for years and especially so in the last decade. War activity, it is true, has increased the total load and widened the peak, but this has been offset by a sharp decline in right-of-way obstructing motor traffic.

To solve the problem, it is proposed, as a postwar project, to construct a system of shallow subways and private surface rights-of-way. The work would be divided into several stages, as indicated on the lower map, and could be spread over ten or fifteen years. Based on similar construction in Boston and other United States cities where this type of subway is used, it is estimated that stage one, which consists of a little over a mile of tunnel, would employ directly from three to four thousand men for three to four years.

Where Will Canada Stand?

Must Decide Soon Her Place at Postwar Councils

By ROBERT T. ELSON

WASHINGTON.

U.S.-Canadian Relations are heavily, perhaps excessively, dependent on a personal friendship.

For better or worse, four great powers will shape the destiny of the world to come.

One of the highest diplomatic authorities of the day has described the future world order as supported by a four-legged stool, of which the legs are China, Russia, the United States and Great Britain.

Where does that leave Canada? Does she fall between the British and the American legs? Or is she "squeezed" between them?

These are real questions bearing directly upon Canada's foreign policy, calling for important decisions by Canadians. In a world of power politics Canada cannot face two ways. She must decide her own destiny. Events will make this clearer day by day.

The questions that Canadians must answer—if not directly at least in the future line of policy—are:

1. Without political power can she gain a hearing for her particular problems from the United States?

2. What influence and responsibility is Canada willing to undertake in the future councils of the British Commonwealth of Nations?

Largely perhaps because Canada's war-imposed isolation has prevented Canadians and Americans from mingling as freely as they once did, Canadians since 1939 have become sensitive about the attitude of their neighbors here.

The agitation for a better press that preceded the formation of the Wartime Information Board was evidence of this. Yet actually even Canada's critics used her prestige in American eyes to discredit the administration. Canada's reaction to American criticism is typical of the frustration that the war has bred everywhere. In Britain, in Australia and among all the governments-in-exile, there is this same concern about what the Americans think.

And now the Americans are experiencing the same symptoms. Evidence of this was Ambassador Standley's calculated "indiscretion" in Moscow, concerning the lack of publicity for American aid to the Soviet Union.

Mr. King's original intuition about Canadian propaganda in the United States may in the long run have been a sounder guide than his latter-day conversion to organized information via the Wartime Information Board. Originally the P.M. made it clear he felt that the example of Canada was more important than a good press, and after Pearl Harbor he had no expectation that American concentration of their own war effort could be diverted for even momentary admiration of Canada.

Mr. Roosevelt would probably not object if he was described in practice and principle as a confirmed federalist with the same positive views once held by Abraham Lincoln as to the right of secession either of states, allies or commonwealths.

> **"From day to day, the American attitude toward Canada is that Canadians are to be taken for granted. They are the nice co-operative neighbors who never make serious trouble. They are the people next door who are included in on all the family parties but are sometimes forgotten on the big social occasions because it is always assumed that they will understand."**
>
> **ROBERT T. ELSON.**

However, the President is invariably careful about the feelings of other people. In the frequent conversations—twice a year—that he and Mr. King have here, there is no doubt that "Mackenzie" (the President is the only man on record to call Canada's P.M. by his middle name) has full opportunity to put his views before the President.

But Mr. King cannot be here all the time. To presuppose that Canada's interests and views always carry such weight and attention as when the Prime Minister is actually in Washington is to presuppose a great deal.

From day to day, the American attitude toward Canada is that Canadians are to be taken for granted. They are the nice co-operative neighbors who never make serious trouble. They are the people next door who are included in on all the family parties but are sometimes forgotten on the big social occasions because it is always assumed that they will understand.

Thus Canadians are sometimes wounded and surprised when, as the Truman committee did recently, people down here take vigorous exception to certain matters which Canadians consider their domestic concern, such as an embargo on logs needed to meet Canadian commitments at home. Or when Canadian pulp and paper policies are interpreted as a "squeeze" to hoist newsprint prices. Or the Canadian politics of conscription are misinterpreted. Or American publications treat Canada, as Life did Quebec, much as they treat their own people.

The Life issue on Quebec was no worse, no more unflattering, than the same magazine's exposure of war housing in Mobile or Willow Run or tenant farming in the black belt.

Americans Surprised Too

On their part Americans are surprised when Canada grounds a U.S. plane flying a commercial route illegally, as Mr. Howe did when Northwest Airlines tried to "bull" the way into the Alaskan airways picture.

They are surprised too when Canada, assuming the role of sovereign state, informs their army that it cannot court-martial U.S. soldiers for civilian offenses without a diplomatic convention covering these matters. Or that the drafting of Canadians in the United States is a matter that deeply concerns Canada.

Some U.S. officials have been surprised when they have arrived in Canada to find that Canadian wage and price ceilings are law and that the law of necessity is not alone sufficient to set aside Canadian ordinances, as it is on this side of the border when federal and state authority collide.

These things are largely unimportant in themselves. There has been no incident that the State Department here has not been willing to consider fairly and openmindedly. In the aggregate they are important because they should warn Canadians now of the difficulty they are going to have in commanding a voice in policies at Washington.

The United States is so big, so vast, so torn by sectional interests, that one other voice from outside her border is not heard very loudly. There are thousands of Canadians living down here and many thousands more who have become United States citizens. But actually Canadians in the United States have less influence than the Poles of Buffalo and the Czechs of Pittsburg.

This is no reflection on Canada; it is a matter of practical politics. Most Canadians living here become U.S. citizens. So do the Poles, but they also retain the memory of their old country politics, and they carry it with them into the politics of the new country. Thus national groups can often have a profound influence on Congress and in shaping American public opinion.

Don't take this suggestion seriously, but if Canada were really to claim attention in Washington in proportion to her interest and population she should at least have 25 Congressmen, as does the city and environs of New York. Texas, with two senators, and 21 representatives all but runs the Union.

If Canadians ever are ready to negotiate entry into the Union, they would be foolish to close for less than nine senators and special consideration in respect to representatives.

Not Seriously Considered

But annexation is not seriously considered on this side of the border. The middle west, now strongly protectionist, would see in Canada's vast and fertile earth a serious threat to its domestic monopolies and its political power.

In the months past the things that have really impressed the Americans have been Canada's fight against inflation, her fiscal policies, her willingness to get down to bedrock in her economy, and the more skilful handling of most rationing problems. No ballyhoo gained added respect for Canada's very real achievements in these fields. These things only confirmed a rather deep-seated impression that has long prevailed in this country—that Canada may be slower but that somehow some things are managed better north of the forty-ninth parallel. Until the G-man took his place in American folklore the modern St. George was the Royal Mounted's red-coated policeman who never failed to get his man.

Between Canada and the United States is an abiding tie based on solid self-interest that centres in the fact that both countries know that they must arbitrate their disputes and get along together. But Canadians delude themselves if they have any illusions that where Canadian interests collide with American "enlightened self-interest" the decision of the American people will ever be given against themselves.

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—There never was such an April as we are enjoying in England. Never was Browning so justified in his exile's cry of "Oh, to be in England now that April's there." I ran into Victor Cazalet on the Terrace of the House of Commons, now sandbagged and robbed of all beauty (I refer to the Terrace) but still a magic place beside the Thames.

"How's the Tory party?" I asked him.

For reply he recited one of Shakespeare's sonnets about the golden face of the sun kissing the meadows green.

Even allowing for metaphor I don't think he was referring to the Tories.

* * *

Monty's Limelight

The British public have a new idol. It is General Montgomery of the immortal Eighth Army.

Whenever he appears in the news reels there is pandemonium. He has momentarily replaced Churchill, Roosevelt and Stalin. As for his chief, General Alexander, no one cheers him at all. But I predict that Alexander will come into his own. He has played an unselfish role, allowing "Monty" to steal the limelight and even agreeing to serve under General Eisenhower.

I suggest, however, since The Financial Post circulates so heavily among investors, that you pick up a few shares in Alexander. He is due for a rise in public favor any time.

* * *

I have before me a letter from a young friend of mine serving with the Coldstream Guards in the Eighth Army.

He had just been to see Lord Halifax's son in hospital. That gay, eager youth has paid the penalty of his generation by having had both legs amputated. Poor Halifax! One son killed, another so cruelly mutilated.

"He was amazingly cheerful," writes my friend, "and made me roar with laughter."

* * *

Nothing Barred

Westminster staged a one-round boxing contest this week in which all the rules were broken.

You may remember my notes recently on Captain Cunningham Reid, M.P., who married the sister of Lady Louis Mountbatten and courts unpopularity as other men court adulation.

On the adjournment of the House he criticized Brendan Bracken, the Minister of Information, for our bad propaganda in America and said many injudicious things about the U.S.A. He only left Bracken five minutes to reply, but never did any pugilist make better use of the last moments of a fight.

With his shock of red hair bristling with fury he accused Cunningham Reid of doing Goebbels' dirty work for him. And after all what did Cunningham Reid know about the Battle of Britain? "He was in Hawaii away from it all."

Cunningham Reid protested that he went there for a government department to arrange for the acceptance of children from England.

"I've heard that before," said Bracken, "and it doesn't wash. The hon. and gallant member was beachcombing in Honolulu."

Cunningham Reid has a face of such composure that it would be perfect for a boxer, a poker player or a statesman. His face would never show if he was hurt. But for once he flushed with anger.

Then the gong went. Bracken's time was up. "Not exactly Marquis of Queensbury rules," said a Tory M.P., but whether he was referring to the captain or the minister no one knew.

* * *

Five Billions

It was Budget week and for nearly three hours Sir Kingsley Wood, looking more like cupid than ever, shot his arrows into the breasts of the members listening to him.

It was a £5 billion Budget! No one cared much. What's the odd billion in a war like this? Cigarettes and beer would cost more. The House was neither impressed nor depressed. The only feeling was that there ought to be a special tax on the non-smoker and the non-drinker. Abstinence cheats the Exchequer these days.

The story of the savings by the people was magnificent. "By the way," said Sir Kingsley, "there's still some purchasing of non-essentials like furs so I will raise the purchase tax on them to 100%."

When it was over the M.P.'s strolled out to look at the tape. They wanted to see how the Eighth Army was getting on in Tunisia.

* * *

Do you know the most popular song in Tunisia?

"Praise the Lord and pass the Guards' Division."

Again and again the Guards have been sent into action to retrieve a lost position. I am afraid their casualties have been heavy.

* * *

General Orames, the head of the Salvation Army in Canada and Bermuda, paid a visit to Parliament and heard part of the Budget debate.

This Australian-born leader is 67 years of age but came over in a bomber. He is a fine man and paid great tribute to the businessmen in Toronto who act as advisers to the Army in mundane affairs.

He is making a thorough inspection of the Salvation huts erected for the Canadian forces over here.

* * *

Revenge on a Critic

There has been a rumpus on the theatre front. Some people see in it a sequel to Beverley Baxter's tirade against the critics after they had slammed his play all around the ring.

The most famous dramatic critic in London is James Agate of the "Sunday Times." His likes and dislikes are ardent and he spares neither praise nor censure. Recently there was a superb production of Shaw's "Heartbreak House" starring Robert Donat.

Agate never liked the play so he turned up when it was half over and dismissed it with a paragraph in his Sunday column. Last Sunday, Agate's faithful public turned to his page to see what he had to say about Congreve's masterpiece, "Love for Love." To the chagrin of his readers he devoted his space to the coming centenary of Henry James.

But this was not a mere caprice on Agate's part. The management which had produced "Heartbreak House" had banned him from all its theatres. As it happens the management controls nearly every star in London and, in a struggle of endurance, they can hold out as long as the critic.

Theatrical London is much intrigued. The critics have had it their own way for so long that there is much speculation on the new move to censure the critics. Probably, however, Lord Kemsley, as owner of the "Sunday Times," will bring about a reconciliation. He is a diplomat and a clever negotiator.

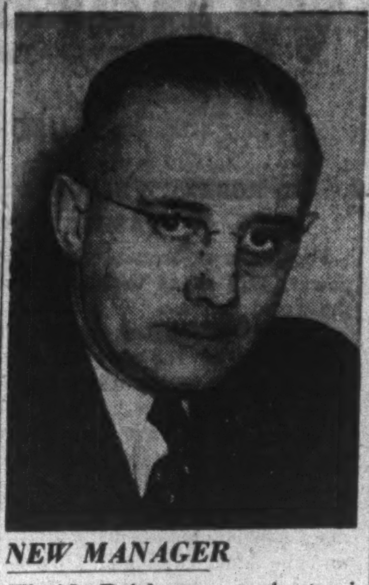
* * *

Empire Flying Board

Edgar Granville, an Australian-born British M.P., urged in Parliament last night that an Empire Civil Aviation Board should be set up with members from all the Dominions.

Sir Archibald Sinclair resisted the idea in that form but admitted that British Civil Aviation was essentially a matter which concerned the whole Commonwealth.

Canada is far more air-minded than Britain. Distances are so short in these islands that one does not think in terms of flying. I merely pass on Granville's suggestion because a move from Canada might have a powerful influence on Sir Archibald Sinclair and the government.



NEW MANAGER

W. N. Deisher, new vice-president and general manager of Fleet Aircraft Limited. Mr. Deisher has been general manager of the company for the past two years. He was elected at the annual meeting last week.

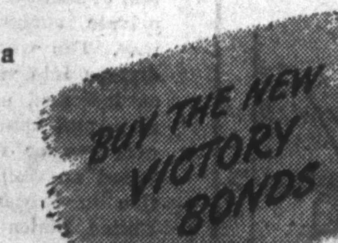
THIS IS YOUR SWORD... use it.

Use it to write your cheque for your new Victory Bonds.

Use it to sign a pledge to buy Bonds out of future earnings.

Use it that Canada's fighting sons may have the tools of war they will need this year—above all years.

Your pen is your sword. Use it. There's *still* a tough fight ahead!



THE ROYAL BANK OF CANADA

MONTREAL TRAMWAYS COMPANY

ANNUAL REPORT FOR THE YEAR ENDED 31st DECEMBER, 1942

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ended 31st December, 1942

TO THE SHAREHOLDERS:

Your Directors herewith submit their Annual Report for the year 1942.

Revenue:			
Operating Revenue—Tramways		$16,324,249.22	
" " Autobus		3,504,109.82	
			$19,828,359.04
Expenses:			
Tramways:			
Operating Expenses	$7,389,531.68		
Maintenance and Renewals	3,346,735.26		
		10,736,266.94	
Autobus			
Operating Exp. and Maintenance	$2,381,818.39		
Depreciation	604,025.84		
		2,985,844.23	
Taxes (other than Income Taxes)		581,268.20	
City of Montreal Rental		669,017.55	
			14,972,396.92
Net Operating Revenue			$ 4,855,962.12
Other Income:			
Interest on Marketable Securities, Call Loans, etc.		17,830.70	
Dividends		50,446.00	
			68,276.70
			$ 4,924,238.82
Other Deductions:			
Interest on Bonds		2,218,219.57	
Exchange		141,113.76	
Amortization of Bond Discount and Expenses		10,942.00	
			2,370,275.33
			$ 2,553,963.49
Provision for Income and Excess Profits Taxes (Including refundable portion of Excess Profits Tax $131,821.26)			1,474,475.00
Net Income transferred to Surplus			$ 1,079,488.49

SURPLUS AS AT 31st DECEMBER, 1942

Balance at beginning of period		$1,294,198.29
Net Income from Profit and Loss Statement		1,079,488.49
Transferred from Contingent Reserve		9,000.00
		$2,382,686.78
Deduct		
Transferred to Depreciation Reserve	$ 500,000.00	
Reserve for Financing, less adjustments relating to prior years	73,869.41	
		573,869.41
Balance at end of period		$1,808,817.37

The number of revenue passengers for 1942 was as follows:

	TRAMWAYS	AUTOBUS	TROLLEY BUS	TOTAL
Revenue Passengers, 1942	260,218,074	55,898,490	3,281,760	319,398,324
Revenue Passengers, 1941	214,909,555	45,649,178	3,013,055	263,571,788
Increase	45,308,519	10,249,312	268,705	55,826,536
Increase per centum	21.08%	22.45%	8.92%	21.18%
Miles operated were as follows:				
1942	32,277,347	10,205,240	358,871	42,841,458
1941	27,934,925	9,515,859	361,707	37,812,491
Increase	4,342,422	689,381	* 2,836	5,028,967
Increase per centum	15.54%	7.24%	* .78%	13.30%

*Decrease.

TAXES, SNOW REMOVAL AND CITY RENTAL

Included in the Operating Costs for the year are the following:

City of Montreal:	
Snow Removal, Taxes and Annual Rental	$ 1,290,155.56
Other Municipalities:	
Snow Removal and Taxes	57,436.47
Federal Government:	
Income Tax, Gasoline Tax, etc.	1,530,675.45
Provincial Government:	
Taxes, including Corporation, Gasoline, etc.	283,448.77
	$ 3,166,716.25

The operations of the Company from 1918 to December 31st, 1942, have included the following amounts payable to the City of Montreal:—

Snow Removal	$ 5,220,191.76	
Annual Rental	8,611,711.60	
Taxes	9,666,664.01	
		$23,498,567.37
Expended by the Company for Maintenance of Street Pavement		4,010,211.04
		$27,508,778.41

FINANCIAL

As indicated in the above statements 319,398,324 revenue passengers were carried during the year, an increase of 21.18% over the previous year. In 1941, the increase over 1940 was 16.75% or a combined increase for the two years of 41.47%.

Revenues for 1942 amounted to $19,828,359.04, an increase of $3,372,306.40 over 1941. Operating Expenses increased by $2,400,423.77, due in large part to increased expenses resulting from the operation of 5,028,967 more miles by the Company's vehicles; a payment of $669,017.55 to the City of Montreal under the Contract; and increased wages and cost of materials.

Provision for Income and Excess Profits Taxes amounted to $1,474,475.00, against $255,110.07, an increase of $1,219,364.93 over the previous year.

Interest on the Company's various issues of Bonds and exchange was reduced by $251,239.02. This reduction was one of the results of the Scheme of Arrangement hereinafter referred to.

Net income transferred to surplus was $69,055.14 less than in 1941.

SCHEME OF ARRANGEMENT

Under a Scheme of Arrangement which became effective and binding upon the Company and all Bondholders as of the 27th December, 1941, the Company's First and Refunding Mortgage Five Percent Bonds maturing on the 1st of July, 1941, were extended for payment until the 1st of July, 1951, and the issue closed at $19,000,000.00.

All outstanding General Mortgage Sinking Fund Bonds were to be exchanged for various Series of new General Mortgage Bonds and the issue was closed at $26,047,400. Holders of the old Bonds who were residents of countries other than Canada are to receive the new Bonds of different Series payable as to both principal and interest in Canadian currency, United States funds or Sterling. Residents of Canada were to receive new General Mortgage Bonds payable as to principal and interest in Canadian currency only.

The Company's Balance Sheet indicates the aggregate par value of the new General Mortgage Bonds presently issued and outstanding:

Series "A"	$ 2,736,300.00
Series "B"	$22,720,700.00
Original Bonds not yet presented for exchange	$ 590,400.00

FARES

The average fare on the tramways system for 1942 was 6.10 cents. The average fare in cities in the United States with a population exceeding 100,000 was 8.02 cents for the same year.

ROLLING STOCK

During the year, the Company purchased eleven used street cars, all of which were in excellent condition and have been put into service. Fifty-seven new buses were purchased at a cost of $692,917.20.

On the 12th of August, 1941, the Dominion Government appointed a Transit Controller who was given authority to ration and distribute all rolling stock equipment throughout Canada. At the present time, street cars can not be produced in Canada unless many essential parts are obtained from manufacturers in the United States. After the entry of the United States into the war, the manufacture of these essential parts was severely curtailed and all allotments are made under Government supervision. Any of these parts allotted to Canada are, in turn, allotted by the Transit Controller of Canada to meet the needs of each Canadian tramways system.

The same procedure is followed in connection with the manufacture and supply of buses. No transit type city buses have heretofore been manufactured in Canada—in the past the Company has purchased such buses either in the United States or in England. Importation from England has not been possible and, in July, 1942, the War Production Board of the United States forbade all further manufacture of buses in that country. However, after a study of existing inventories of materials and parts, they authorized the production of a limited number of buses. Under this arrangement, the Company received twenty-six large buses from the United States and thirty-one small buses were purchased in Canada.

Since July 15th, 1942, the War Production Board of the United States has authorized the manufacture of parts sufficient in number to equip 180 street cars for 1942, of which fifty were allotted to Canada and the Canadian Transit Controller has allotted to Montreal eighteen of this 1942 production.

The War Production Board of the United States has authorized the manufacture of parts sufficient in number to equip (270) two hundred and seventy street cars in 1943 and, of this number, 40 have been allotted to Canada. No definite distribution of these forty cars has yet been made by the Canadian Transit Controller.

The increased demand on the Company's services during the past year has presented many problems which the Company has made every effort to solve in a satisfactory manner. Montreal has many narrow streets and these present great difficulties in operation during the so-called rush hour periods. Some relief has been obtained through a "staggering of hours" but it will be recognized that the principal demand occurs during the three rush hours of the morning and the three hours in the late afternoon. Satisfactory operation is determined by the number of cars than can be moved through various street intersections within a given time—as an example—425 cars must be moved through the intersection of Bleury and St. Catherine Streets during one hour of the peak period. A tie-up or delay, at an important section, affects not only this intersection but the general service throughout the City.

TRACK RENEWALS

Tracks were extended from the corner of Ontario and Bleury Streets to a new Terminal Station north of St. Catherine Street and between Aylmer and City Councillor Streets. Cars operating on Ontario Street have been re-routed through this Terminal and a more regular and efficient service has been provided on that line. The total cost involved was $140,000.00.

Tracks were also laid in the rear of Youville Shops, east of St. Lawrence Boulevard, to provide service to plants engaged in war work in this district.

A further extension is being made on the Cartierville Line near the Bois Franc Station for the same and other purposes.

A double track has been laid on Wellington Street in the City of Verdun extending from May to Woodland Loop and with intersections at Church, Rielle and Argyle Streets. In all 2.48 miles of single track have been installed.

6.53 miles of single track were reconstructed, principally on:—Wellington Street—May to Woodland Loop; Park Avenue—Mount Royal to Laurier; St. Denis Street—Sherbrooke to Roy; St. Lawrence Boulevard—Mount Royal to Bernard; Craig Street—St. Lawrence to St. Urbain; Mount Royal Car Barn Storage tracks and four main intersections—at Ontario and Bleury; Ontario and Frontenac; Mount Royal and Iberville; and Dorchester and Peel.

Electric switches have been installed at twelve new locations. The number of switches now in operation is sixty-seven.

A new Sub-station is in course of construction at Garland Street and Decarie Boulevard. This Sub-station will provide for the distribution of larger amounts of power in that vicinity.

General maintenance and repair has been carried on throughout the year and the Company's present property and equipment is in good and workable condition.

GENERAL

The handling of traffic throughout the year has placed a great burden and responsibility on all officers and employees of the Company and this has been increased to a notable extent by the diversion of trained men to the Armed Forces or to other industries.

Your Directors desire to recognize the loyal and efficient service of all members of the staff and other employees of the Company throughout the year.

They wish also to express their appreciation of the efforts made by the employees and staff to subscribe in an important aggregate amount to Victory Bonds issued by the Dominion Government during the year.

Submitted on behalf of the Board of Directors.

R. N. WATT,
President.

P.S.—On the 18th of March, 1943, the City of Montreal notified the Company that it objected to the Annual Report of The Montreal Tramways Commission which provided for the payment of Federal Income and Excess Profits Taxes before providing for the payment of the City rentals.

If the claim of the City should be maintained the amount set up as a provision for Income and Excess Profits Taxes will have to be allocated in a manner different from that indicated on the Company's Balance Sheet.

April 8, 1943.

GENERAL BALANCE SHEET

As at December 31st, 1942

ASSETS

Current Assets:			
Cash on Hand, Demand Deposits	$1,899,749.76		
Call Loans	1,975,000.00		
		$ 3,874,749.76	
Marketable Securities, at cost (Market Value $568,312.00)		561,062.50	
Accounts Receivable		66,453.92	
Inventories of track and overhead materials, Street Car and Autobus repair parts and supplies, etc., at cost (as determined and certified to by Officials of the Company)		1,002,066.01	
Due by Employees on Victory Loan Subscriptions		228,397.37	
Accrued Interest Receivable		14,182.31	
			$ 5,746,911.87
Investments:			
Company's own Bonds at cost (Par Value $179,800)		$ 155,574.13	
Securities of Affiliates		725,248.33	
Securities held for account of Guarantee Fund (Market Value $497,500.00)		500,000.00	
Securities held for account of Autobus Depreciation, Financing and other Reserves (Market Value $1,502,500.00)		1,500,000.00	
			2,880,822.46
Fixed Assets:			
Property, Plant and Equipment		$57,728,611.62	
Less Reserves—			
Maintenance and Renewals	$ 411,768.39		
Depreciation, General	6,200,000.00		
Depreciation, Autobus	1,890,874.60		
		8,502,642.99	
			49,225,968.63
Deferred Charges:			
Prepaid Taxes		$ 4,019.95	
Uniforms—amount applicable 1943 operations		41,891.19	
Prepaid Insurance, Rents, etc.		81,309.64	
Unamortized Bond Discount and Expenses		134,034.00	
			261,254.78
Other Assets:			
Operators' Ticket Advance Account		$ 65,000.00	
Refundable portion of Dominion of Canada Excess Profits Tax		131,821.26	
			196,821.26
Note:			
Balance due Company under Contract, payable only when earned On account Financing Allowance	$740,165.76		
			$58,311,779.00

LIABILITIES, CAPITAL STOCK AND SURPLUS

Current Liabilities:			
Accounts Payable		$ 522,808.70	
Accrued Liabilities:			
Wages	$ 278,699.67		
Taxes	948,901.17		
Bond Interest	322,962.87		
Montreal Tramways Mutual Benefit Association	30,033.23		
City of Montreal Rental	125,000.00		
		1,705,596.94	
Other Current Liabilities:			
Employees' Security Deposits		31,207.86	
			$ 2,259,613.50
Funded Debt:			
First and Refunding Mortgage 5% Gold Bonds, due July 1, 1951 (Payable at holder's option in Canadian or U.S. currency or in sterling)		$18,300,000.00	
General Mortgage Sinking Fund Bonds due April 1, 1955.			
Series "A" (Payable at holder's option in Canadian or U.S. currency or in sterling)			
5%	$ 2,482,400.00		
4½%	253,900.00		
	$ 2,736,300.00		
Series "B" (Payable in Canadian currency)			
5%	$20,912,600.00		
4½%	1,808,100.00		
	$22,720,700.00		
Bonds not yet presented for exchange			
5%	$ 548,700.00		
4½%	41,700.00		
	$590,400.00		
		26,047,400.00	
			44,347,400.00
Reserves (In accordance with provisions of Contract)			
Contingent Reserve		$ 300,000.00	
Reserve for Injuries and Damages		200,000.00	
Other Reserves, including refundable portion of Dominion of Canada Excess Profits Tax		192,613.13	
			692,613.13
Reserves (For Company's Account):			
Reserve for Financing		$ 1,376,710.41	
Reserve for Redemption of Unpresented Tickets		500,000.00	
Reserve for Exchange on U.S. Dollars		209,000.00	
Other Reserves		117,624.59	
			2,203,335.00
Capital Stock:			
70,000 shares of $100.00 par value			7,000,000.00
Surplus			1,808,817.37
			$58,311,779.00

Montreal Tramways Company,
Montreal, Quebec.

Aldred Building
Montreal, February 24th, 1943

We have examined the balance sheet of Montreal Tramways Company as of December 31st, 1942, and the related statements of profit and loss and surplus for the year 1942, have reviewed the system of internal control and the accounting procedures of the Company and, without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of Montreal Tramways Company at December 31st, 1942, and the results of the operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Verified in accordance with our Report of this date.
Montreal, February 24th, 1943.

SHARP, MILNE & CO., C.A.,
Auditors.

Approved on behalf of the Directors:
Wm. C. Finley, S. Godin, Jr. } Directors.

Certified Correct:
A. A. BOIRE,
Chief Accountant.

Mining Concentrates

Banca Mining & Exploration—On March 30, 600,000 shares were optioned to G. B. Powell in blocks of 100,000 shares each at 10, 12½, 15, 17½, 20, and 22½ cents a share payable $1,000 within 60 days and $1,000 a month thereafter. Authorized capital is a million shares with 300,005 issued.

* * *

Bralorne Mines has reduced its mining operations to 25% below normal owing to the shortage of labor. Results from development work are stated to have been very satisfactory the first quarter as more tonnage was blocked out than was milled. Grade of the newly blocked out ore is better than the average. Two strategic mineral properties were under development in the first quarter, one of which is now being equipped for production. Summit King, the company's U. S. subsidiary, is still engaged in the search for strategic minerals within the United States.

* * *

Coniaurum Mines realized a profit of $83,614 after taxes but before write-offs for the three months ended Mar. 31, 1943 compared with $118,228 for the corresponding period of 1942. Tonnage of ore milled showed a decline from 44,130 tons in 1942 to 31,985 tons in 1943.

* * *

Canadian Malartic Gold Mines experienced a reduction in operating profit to $49,520 in the quarter ended Mar. 31, 1943 from $110,810 a year ago, due to lower tonnage of ore mined and lower average grade treated. Mechanical trouble with a crusher caused a drop in tonnage milled from 85,323 to 82,152 tons and grade of ore treated declined to 0.105 oz. Ore was drawn mainly from marginal sections and due to the shortage of miners, ore must now be drawn from the most convenient locations with little control of grade. Recent surface diamond drilling shows interesting ore sections above the Nos. 7, 8 and 9 stopes and additions to ore reserve tonnage in these blocks is expected. The indicated ore is 255 ft. long, 28 ft. wide averaging 0.21 oz. gold per ton.

* * *

Harpers Malartic Gold Mines completed an agreement dated Feb. 24, 1943, under which C. C. Cross & Co. agreed to purchase 50,000 shares at 5 cents a share payable May 1 and was granted an option on 450,000 shares at 5 cents per share payable in blocks of 50,000 shares monthly starting June 1, 1943. Authorized capital is 2.5 million shares with 1,941,277 shares issued.

* * *

Howe Sound Co. realized a net profit of $429,037, equal to 93 cents a share, in the three months ended Mar. 31, 1943. Gross value of metals sold was $4,029,290 but no breakdown of metal production is released due to wartime policy. Profit was 63 cents a share in the first quarter of 1942.

* * *

Montbec Mines has had withdrawal of the permission of sale of shares through W. J. Marshall & Co. by the Ontario Securities Commission.

We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

Investments

Associated Breweries

I am thinking of purchasing a few shares of Associated Breweries of Canada preferred stock and, as a subscriber of your paper, would like to have a report on this stock.

Associated Breweries of Canada Ltd. has developed strong earning power back of the preferred stock. The lowest earnings ever reported on the preferred were $14.19 a share in 1933. The high point was nearly $90 a share in 1941. Originally the company issued $1.5 millions of preferred, but through redemption, the amount outstanding has been reduced to $563,900. Currently the preferred is selling above par value and the stock is regarded favorably.

International Power

Would you let me have a brief report on the first preferred stock of International Power Co.

International Power Co. has shown an improvement in earnings available for the first preferred stock. The net profit has risen from $3.80 a share in 1935 to $11.19 in 1941. The report for 1942 will not be available until sometime in June. Reflecting the improvement in earning power, the company has taken steps to pay off some of the arrears on the first preferred and at the end of 1942 these arrears totalled $25 a share. No dividends have been paid on the second preferred, and arrears on this stock amounted to $90 a share on March 1, 1942.

Massey-Harris

A brief report on the present position of Massey-Harris with a reference to postwar outlook for the company would be appreciated.

Massey-Harris Co. in its latest report showed earnings equivalent to $3.23 a share on its new 6¼% preferred compared with $2.33 a share in the previous year. Since its reorganization of about a year ago, the company has been paying regular dividends on the preferred.

Currently this company is exceedingly busy on war orders and it reported record sales volume for 1942. At the same time, in 1943 its output of farm implements is going to be drastically curtailed and is limited to 30% of the materials used in 1940 so far as new implements are concerned and 165% for repair parts. The prospects are that for 1944, farm implement production will be permitted to rise again to about 1942 level which was equivalent to 80% of 1940's output. This change may be made some time this summer.

Postwar position of a company such as Massey-Harris seems to depend primarily on prosperity for agriculture throughout the world as the company is largely dependent on export markets. It is very difficult to forecast at this stage what the conditions of foreign trade will be but it seems reasonable to expect that in Canada and the United States at least where it does perhaps two thirds of its normal business conditions should be reasonably favorable.

Imperial Varnish

I have been considering the investment possibilities of Imperial Varnish common stock and would like some information as to the possible dividends in the future.

Imperial Varnish & Color Co. earned $9.46 a share on its preference stock and $1.59 a share on its common stock in the year ended August 31 last. This compares with $11.27 and $1.95 respectively for the preceding year. On the basis of the participating feature, earnings on the combined preference and common stocks were $1.58 in the latest year and $1.88 a share in the preceding period.

Standard profits of this company amount to $80,675 under Excess Profits Tax Act. On the basis of retaining a maximum of 70% of this average base rate, no more than $56,472 will be available for distribution in any year until after the war. Current common and preferred dividends require a total of $48,000, leaving a moderate coverage for dividends which the president suggests will be sufficient to protect the prevailing rate providing the company continues to earn its base rate of profits.

The company admits having considerable difficulty in securing raw materials and labor although successful to date. About one half of its production is now for war purposes.

Chemical Research

Do you think that there is much possibility of a dividend from Chemical Research in the reasonably near future?

Prospects of a dividend from earnings to shareholders of Chemical Research Corp. appear remote at the moment. This company's only revenue is derived from its holdings of a subsidiary, Gyro Process Co. No recent report has been issued but the company is not thought to have any important sources of income. Litigation has been carried on to determine the company's ownership of certain patents.

Balance sheet of Chemical Research at the end of 1939 showed total assets of $8 millions which included goodwill of $747,399 and the investment in Gyro Process Co. valued at $7.2 millions. The latter, in the opinion of the auditors, should be materially reduced.

B. A. Oil

For an American investor can you give me some information on B. A. Oil?

British American Oil Co. in its annual report for 1942 showed net profits from Canadian operations only, equivalent to $1.03 a share on its common stock compared with $1.05 a share for 1941. This suggests only moderate coverage of the current $1 a share annual dividend which, however, has been paid regularly since 1935 at this rate. The company does not take into its account any portion of the earnings of its subsidiaries in the United States which last year amounted to $1.1 million.

British American Oil Co. is well regarded as an investment. The company is the second largest refiner and distributor of petroleum products in Canada with refineries and other distribution facilities well established. It also has an important interest in the production of crude oil in the United States where it has had a notable success in building up reserves.

Like other oil companies, this concern will feel the effects of the sharp curtailment in use of gasoline and other petroleum products by the civilian consumer. Currently the prospects are that its plants will operate as near capacity as available crude oil supplies will permit with growing demand for aviation gasoline and oil for other war uses taking up everything that can be turned out. It is completing a new refinery near Toronto which will enable it to make its own lubricating oils, a product which has been imported up to now. Postwar position of a company such as this seems reasonably good as there is little doubt as to the extent of the immediate demand for its product and the degree of conversion necessary will be very small.

Income Tax

Credit for Deductions

The bulk of my income is derived from stocks and bonds registered in my own name. Each time I receive returns from these investments, they have had 7% normal tax deducted at the source. In making up my return do I show as income the net received from these securities after the 7% deduction? If not how do I get credit for the deductions at the source?

You first of all compute your total income based on the gross amount of your dividends and interest before deduction of tax at the source. You then calculate your tax on this total income. The figure you obtain is your total tax. You then deduct from this total tax, the amount that has been deducted at the source. The balance is the tax still to be paid.

Fire Insurance Premiums

I have a number of houses I rent. I carry fire insurance on them all. Am I allowed to deduct the premiums from my income when making up my income tax return?

Yes, you are allowed to deduct these premiums on properties you rent to others.

Miscellaneous Income

About half my income is derived from salary and half from miscellaneous sources including commissions, investments, etc. The tax on my salary is deducted by my employer. When do I pay the tax on my other income?

You should pay the tax on your other income in quarterly installments. The first installment became due March 31 and should have been 20% of the estimated tax. The next two installments come due June 30 and Sept. 30 and are 25% each. The fourth payment should be made by Dec. 31 for 30% of your tax on other than earned income. The income tax department has prepared a form, T-7-B for use in such cases which is self explanatory. On this, you estimate your total income for the year from all sources. You then estimate your total income tax due. From this you subtract deductions made at the source from salary, dividends, registered bond interest etc., and then make quarterly payments as indicated.

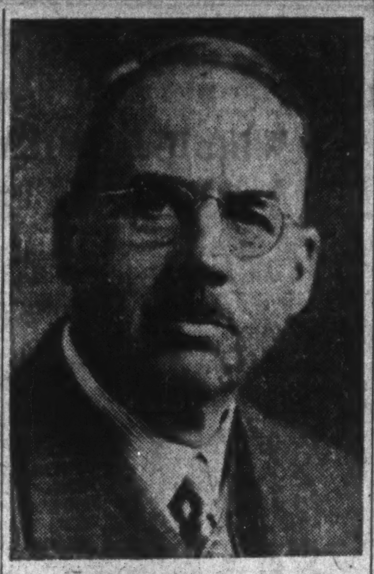
Insurance

Milwaukee Mechanics'

Please give me a report on the Milwaukee Mechanics' Insurance Co. of Milwaukee.

This company was incorporated in 1852, and has been doing business in Canada under Dominion license since 1928. Being licensed by the Dominion Department of Insurance its operations are open to inspection and regulation of the Dominion superintendent of insurance. One of his duties is to see that a company always keeps on deposit with the receiver-general a deposit large enough to take care of its liabilities in this country. At the beginning of April, the Milwaukee Mechanics' had on deposit with the receiver-general, securities with an accepted value of over $377,000.

It is licensed to write fire, automobile inland transportation and various miscellaneous lines of insurance.



CHAIRMAN

Gordon McMillan, K.C., of Toronto, who was elected chairman of the board of directors of Fleet Aircraft, Limited, at the recent annual meeting of the company.

Inter. Metal May Pay on Common

Earns $1.81 on Class A Last Year; Suggests Dividend Possible

An interim dividend on the common shares of International Metal Industries Ltd. is probable this year provided earnings for the next six months are maintained at the rate shown in the first quarter of this year, A. L. Ellsworth, president, told shareholders at the recent annual meeting. The company completed payment of arrears on its two classes of preference stock on May 1 this year. Resumption of payments on the common would mark the first dividend on these stocks since 40 cents was paid in 1931.

In its April 24 issue, The Financial Post showed net profits available for the class A common as equivalent to $1.13 a share. This should have been $1.81 a share.

At the annual meeting D. M. Ramsey, Chicago, was replaced as a director by A. L. Prescott, Muskegon, Mich. Mr. Prescott is vice-president of Service Station Equipment Co., one of the subsidiaries of International Metal Industries.

Canadian Controllers Limited
TORONTO, CANADA

Dollar value of transactions on the Montreal Stock Exchange and Montreal Curb Market during April broke through to the highest point in nearly three years, when stocks with a value of $10.5 millions changed hands. This is the largest return since May, 1940, when the market fell off sharply on the fall of France.

Nanaimo Duncan Utilities Ltd. has called for redemption on July 2 next all of its outstanding series A, 5½% first mortgage bonds, at 104 and accrued interest. A refunding operation will be carried out soon by W. C. Pitfield & Co. The offering is expected to be $525,000 of 4½% first mortgage bonds.

"HOMEFRONT COMMANDO"
Metal Caster—Lewis Vipond

"MEN...

what "else" can I do to hurry you home?"

"THEY'RE TALKING about Peace again, talking about it as though it were just a week away.

"But they're not kidding me. I know that before this thing can be over, *we, at home, have got to do much more*—to give you everything you need to finish the job!

"Yes, we here at Anaconda do know it! We know how badly you need the metal we're making. And because even *one* bullet can mean life or death to you or your pal, we're working harder than ever to get the stuff to you *in time!*

"We're blood donors too... and we buy war bonds regularly. Bonds! Bonds—that's it! *That's the "else" that will bring you home sooner.* Believe me, we're going to buy every last bond we can—and we won't stop till Peace is *really here* and you're safely on your way back home!"

ANACONDA Copper and Brass

BACK THE ATTACK—BUY MORE BONDS

ANACONDA AMERICAN BRASS LIMITED
(Made-in-Canada Products)
Main Office and Plant: New Toronto, Ontario *Montreal Office:* 939 Dominion Square Building

SO...YOU CAN'T AFFORD TO BUY BONDS!

THIS man didn't count the cost. He fought . . . and bled . . . for you. He and his comrades gave up their homes . . . their comforts . . . their ease . . . to fight for all they hold dear . . . to fight your battle too. They are giving all . . . withholding nothing . . . not even life itself . . . in their effort for Victory.

This year, they will be on the attack, and attack takes more of everything. Our troops are counting on Canada to back the attack. No one must fail them . . . not even you.

Buy all the Victory Bonds you can for cash . . . then buy more on the instalment plan. LEND your money on the safest security in the world, backed by all the wealth and resources of Canada. You can't afford NOT to buy Bonds . . . to play your full part in this ringing challenge to the Axis.

You can do more than you think you can . . . help to win the war.

Buy more VICTORY BONDS!

Weston's SODA BISCUITS
English Quality BISCUITS
BREAD and CAKES

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING MAY 3

Range 1943 High	Low	Div. Rate $	May 1 Yield %	Company	Sales	Last Apr. 26	Week end. May 3 H	L	Cl'se
1.00	.59			Abitibi	485	.85	.85	.80	.85
8½	5			Do. pref. 6%	1695	8	8½	7½	8½
17	12½			Do. pref. 7%	30	16½	16½	16½	16½
4½	3			Acme Glove, c.	5	4½	4	4	4
14	11½	.80+.20	7	Agnew Surp. c	35	13½	13½	13½	13½
9½	8			Algoma Steel, c	175	8½	8½	8½	8½
84	81	5	6.1	Do. pref.	15	82	82	82	82
[illegible]									

Range 1943 High	Low	Div. Rate $	May 1 Yield %	Company	Sales	Last Apr. 26	Week end. May 3 H	L	Cl'se
7	5½			Dryden Paper	1174	6½	6½	6½	6½
33½	14			East Dairies pf.	580	30	32	28	32
7½	5½			Electrolux	925	7½	7	6½	6½
4½	3			Enam. & Heat.	125	3½	4½	4	4½
6	4½	.15		Equitable Life	245	5½	5½	5	5
3½	2½			Fairchild Air	675	3½	3½	3½	3½
24	21	1.50	6.7	Fam. Players	10	24	22½	22½	22½
[illegible]									

Range 1943 High	Low	Div. Rate $	May 1 Yield %	Company	Sales	Last Apr. 26	Week end. May 3 H	L	Cl'se
10	9	.40	4.1	Silverwoods	6	10	9½	9½	9½
8½	8	.40	4.5	Do. pref.	675	8½	8½	8½	8½
12½	10			Simpson, A.	50	12½	12½	12½	12½
7½	3			Do. (B)	15	7	7	7	7
97½	87	6.50+2a	6½	Do. pref.	65	97	97½	96½	97½
106	102	6	5.7	So. Can. Pr. pf	14	105	106	105	105½
2.37	1.00			St. Law. Corp.	2790	2.12	2.37	2.12	2.37
13½	11½	1	7.7	Do. (A)	1027	12½	13	13	13
[illegible]									

x Participating. • Interim. a On arrears. b Paid in 1942. * Net after corporate income tax. †Initial.

Mining Stocks
Week Ending May 3

[illegible]

Oil Stocks

Range 1943 High	Low	Div. May 1 Rate	Yield	Company	Sales	Last	High	Low	Close
.30	.05½	.03		Homestead	4,100	.03	.03½	.03½	.03½
.08	.01½			Marjon	1,000	.02	.02	.02	.02
.29	.20	*.03		Model	1,100	.....	.22	.22	.22
.04½	.02⅞			Oil Select.	5,500	.04	.04½	.04	.04
.65	.38			Okalta	1,400	.54	.53	.50	.50
.09	.04½			Pacalta	11,000	.05	.05½	.04½	.05½
.34	.20			Pac. Pete.	2,000	.32	.31	.31	.31
.04½	.03⅞			Royal Can.	1,000	.04	.04	.04	.04
26.00	21.00	1.00	4.2	Royalite	290	24.37	24.50	23.25	23.50
.07	.03½			South End	4,000	.04	.04½	.04½	.04½
1.85	.75			Texas Can.	680	1.70	1.85	1.80	1.85
.15	.09½			Vermilata	18,000	.12½	.13	.12	.12½
.26	.18			Vulcan	700	.25	.19	.18	.18

* Yield including bonus. *Paid in 1942. x Initial. † Interim.

Volume of Stock Sales

	Montreal Markets		Toronto Markets	Vancouver Markets
May 4	42,000	5,300	225,000	......
May 3	31,800	2,400	175,000	6,500
May 1	12,200	5,000	85,000	4,300
Apr. 30	34,000	4,400	203,000	4,630
Apr. 29	17,400	8,900	137,000	16,150
Apr. 28	15,500	6,300	99,000	13,115

Government Bonds
May 4, 1943 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.
2½	June 1943	100	...
5	Oct. 1943	101½	102
2	June 1944	100½	101½
1½	Sept. 1944	99½	100½
a2½	Jan. 1944	100	101
4½	Oct. 1944	104	104½
2½	Nov. 1944	101½	102½
a2½	Aug. 1945	100½	101½
4	Oct. 1945	101	102
2	Mar. 1945	100½	101½
2	Dec. 1946	99½	100½
4½	Feb. 1946	106½	107½
2½	Mar. 1948	99½	100½
1½	May 1946	99½	100½
a2½	Jan. 1948	101½	102½
3½	June 1949	102½	103½
3½	Oct. 1949	102½	103½
3½	Nov. 1951	102½	103½
3½	Feb. 1952	103½	104½
4	Oct. 1952	106½	107½
a3	June 1951	101½	102½
3	Oct. 1952	100½	101½
a3	Jan. 1953	102½	103½
3	June 1955	99½	100½
a3	Nov. 1956	99½	100½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
a3	Mar. 1954	100½	101½
a3	Jan. 1958	101½	102
3	June 1958	99½	100½
4½	Nov. 1958	108½	109½
4½	Nov. 1959	109½	110½
a4	Oct. 1960	108½	109½
a3½	Jan. 1961	102½	103½
3½	June 1966	101½	102½
a3e	Jan. 1967	100½	‡101½
a3e	Nov. 1968	100½	101½
†3	Perpetual	94	95
Dominion Guarant'd Bonds			
Can. Nat'l. Railways:			
2½	Jan. 1948	100½	101½
3	May 1944	101½	102½
3	Dec. 1950	100½	101½
3	Jan. 1959	99	100
*4½	Sept. 1951	121½	123½
*4½	Feb. 1956	124	125½
4½	July 1957	124½	125½

%	Due	Bid	Ask.
3	Feb. 1953	99½	100½
4½	June 1955	125½	127½
5	Feb. 1954	116½	118½
*5e	July 1969	118½	119½
*5e	Oct. 1969	125½	127½
*5e	Feb. 1970	125½	127½
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	126½	128½
Grand Trunk Pacific Rly.:			
3	Jan. 1962	106½	108½
Provincial Gov't. Bonds			
New Brunswick:			
3	Oct. 1951	98½	99½
3½	Aug. 1949	96½	99½
3½	June 1956	98½	100½
c4	Nov. 1947	110½	112½
c4½	Apr. 1961	111½	114½
c5	Jan. 1960	115½	118½
Nova Scotia:			
3	Jan. 1952	98½	100½
3½	June 1956	99½	101½
3½	Nov. 1950	100½	102½
c4½	Sept. 1952	113½	116½
c4½	Nov. 1960	115½	118½
c5	Mar. 1960	121½	124½
Ontario:			
2½	May 1945	100½	102½
3	Apr. 1948	100	101½
3	Nov. 1950	99½	101
3½	Nov. 1951	100½	102
3½	May 1955	100½	102
*4	June 1962	116½	118½
4½	June 1950	108½	110½
*4½	Jan. 1962	123½	126½
5	Oct. 1948	109½	111
*5	Dec. 1960	127½	130½
5½	July 1946	107½	108½
Ont. Hydro Commission:			
3	Aug. 1948	100	101½
3½	Feb. 1953	100½	102½
3½	Apr. 1947	102½	104½
Prince Edward Island:			
4	Mar. 1954	101½	103½
Quebec:			
3	Nov. 1947	99½	101
3½	Mar. 1948	100	101½

%	Due	Bid	Ask.
3½	Mar. 1959	99½	101
4	Nov. 1962	102½	104½
3½	Feb. 1955	101½	102½
4½	Aug. 1958	106½	108
4½	Jan. 1963	109½	112½
Alberta:			
4½	Oct. 1956	80½	83½
4	Dec. 1954	75½	78½
*5	Oct. 1959	81½	84½
c5½	Apr. 1952	82½	85½
6	Mar. 1947	79½	83½
British Columbia:			
4	Dec. 1957	112½	114
*4½	Jan. 1951	114½	116½
c4½	Oct. 1953	114½	117½
c5	Apr. 1954	119½	122½
5½	Feb. 1945	103½	104½
6	Feb. 1947	108½	110½
Manitoba:			
c4	Dec. 1957	105	107
c4½	Dec. 1958	110½	112½
*5	Dec. 1959	113½	116½
5½	Oct. 1955	112½	115½
6	Apr. 1947	106½	108½
Saskatchewan:			
4	Sept. 1954	85½	88½
4	Nov. 1960	84½	87½
c4½	Oct. 1951	97½	99½
c4½	Mar. 1960	92½	95½
5	Aug. 1958	94½	97½
5½	Oct. 1952	97½	99½
6	Mar. 1952	98½	101½

*-Payable Can., N.Y., & ... e-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. ‡-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡N.Y. funds. ‡-Calculated to 1950 average maturity. a-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks
May 4, 1943 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrial:	Bid	Ask.
Acme Farm., pf.	70	77
Andian National	22	24
Anglo C. Tel., A.	8½	9
Atlas Steels, c.	20	23
Do., pref.	105	108
B. C. Pulp, c.	9½	10½
Do., pfd.	63	..
Barrymore Cl., p.	44	..
B. C. Sugar	73	77
B. C. Tel., p.	112½	116
Brown, com.	1½	2½
Do., pfd.	31	34
Burns & Co., A.	7½	8½
Do., B	4½	5½
Canada Tea, p.	28½	..
Can. Indust., A	151½	155
Can. Mach., c.	8	10
Can. Ing. Rand	62½	66
Can. Mot. L.A.B.	8½	..
Cap. W. Cloth	5	..
Do., pref.	17	19
Col. Realty	3½	..
Chase, A. W., p.	16	18½
Colonial Steam	60	65
Copeland F. un.	15	17
Corr. Box, c.	3½	..
Dover Ind.	7	8½
Dunlop T. p. $25	22	25
East. Steel, p.	20	22½
Fed. Grain, com.	1½	2½
Do., pref.	68	72
Galt Brass, c.	10	12
Goderich Elev.	9½	10½
Guard. Realty, p.	17	20
Guelph Carpet, c.	13	16
Gurney Fdy., p.	1½	2½
Hart Battery	5½	..
Hayes Steel, c.	14	15½
High. Dairy, pf.	..	45
Inglis, John	6½	7½
Ingram & Bell, p.	88	..
Kingst. Ship., c.	12	15
Loblaw Inc., c.	11	12½

	Bid	Ask.
Minn. & Ont. p. c.	5½	6
Mt. Royal Htl. c.	2½	4
M'row Screw, p.	100	103½
Do., com.	14	16
Moirs, pfd.	15½	..
Morrison Br. un.	6	8
Neilson, Wm., c.	10	..
Do., p.	101	..
N. Meth. Ldy. p.	75	..
Ont. Tobacco, p.	15	17½
Prov. Paper, p.	98	101
River. Silk., B	2½	..
Stand. Fuel, p.	51½	54
Stedman, pf. $50	54½	57½
Sutton Horsley	1	1½
Tor. Carpet, c.	67	..
Do., pref.	67½	72½
Un. Steel. A. pf.	23	24½
Viceroy Mfg., c.	12½	..
Do., pref.	21	23
Waterloo Mfg.	5½	6½
West. Grain, un.	19½	..
Trust & Loan Stocks:		
British Mtge.	115	126
Brockville Tr.	43½	..
Capital Trust	28	32
Comm. Fin., c.	7½	..
Grey B. Tr. $50	44	..
Guaranty Trust	100	103
Guelph & O. $50.	46	52½
Indust. Mtge.	..	28
Lambton Loan	34	..
Lond. & W. Trust	34	37½
Midland Loan	14	16
Premier Trust	29	33
Sherbrooke Tr.	120	..
Sterling Trust	55	..
Trusts & Guar.	32	35
Victoria Trust	64	67½
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	51	53
Canada Life	320	335

	Bid	Ask.
Canadian Fire	73½	78½
Confed. 30% pd.	130	140
Cons. Fire	3½	..
Continental L.	27	30
Crown Life	250	270
Dominion Fire	134½	138
D. of Can. Gen.	125	..
Dom. Life	175	200
Empire, 25% pd.	6½	7½
Excelsior 40% pd.	71½	76
Great-West Life	220	240
Halifax Fire	13	14½
Imperial Life	247½	275
Manufac. Life	220	230
Monarch Life	33½	36
National Life	8	10
Sov. L. 25% pd.	13½	..
Sun Life	275	300
Tor. General	4½	6
Western Assce.	38	41
Do., pref.	41	44
Western Life	12	14½
Investment Trust Shares:		
Inv. Found. un.	41	44
Sec's. Hold., pf.	17	20
Th. Can. Inv. Tr.	1½	2½
Theatre Stocks:		
Allen's St. Cath. units	63	..
Do., Kingston	65½	69
Do., Toronto, p.	36½	39½
Mansf. Theat., p.	61	66
Para. Kitch., p.	50	..
Do., Oshawa, c.	10	12
Do., Oshawa, p.	83	..
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	103	106½
Gt. Lakes Pr., p.	102	105½
Int. Util. $1.75 p.	15	..
Do., $3.50 p.	40	..
Mtl. Isl. Pwr. p.	44	..

Unlisted Mines
Toronto, May 4, 1943

	Bid	Ask
Adnaron	.33	.36
Algo Cop	.21½	.24
Albany R (old)	.02	.05
(new)	.07	.09
Amal Kirk	.07½	.08½
Anoki	.02	.03
Arno	.02	.03
Arjon	.19	.19½
Area	.05	.06
Arntfield	.00½	.01½
Athona	.02½	..
Banca	.40	.43
Bar Lard	.03½	.04½
Bayshore	.24½	.27
Brengold	..	.01½
Brock	.05½	.06½
Calder Bos	.06	.07
Can Rad	.03	..
Cent Man	.02½	.03
Cheminis	.04	.05

	Bid	Ask
Clift Con	.37½	.41
Columbier	.24	.26
Con Chib	.05	.06½
Conti Tin	.15	.17
De Santis (new)	.07	.09
Dona Pat	.02½	.03
Eastward	.08½	.09½
Electra	.09	.10
Gunflint	.24	.27
Goodrock	.08	.10
Hayes Cad	.01½	.02
Harp Mal	.11	.12½
Hoyle new	.10	.12
Hugh P P	.04½	.06
Laguerre	.07	.09
Lk Geneva	.06	.08
Largold	.19	.22
Low Pete	.32	.40
Magn Con	.24	.27
Hetalore	.23	.26

	Bid	Ask
Majormic	.48	.51
Mart Bird	.06½	.07
Mata Con	.13	.16
McMarma	.11	.13
Moffatt Hall (new)	.02½	.03½
Mosher	.11	.12
McManus	.01	.03
Nat Malar	.20	.22
Naybob	.01½	.02
Nick Off	1.00	1.10
Newbec	.00½	.01½
Norbeau	.23	..
North Tin	.08	.12
Oklend	.03½	.04½
O'L Malar	.03½	.04½
Opemiska	.07	.09
Orpit	.03½	.03½
Pascalis	.23	.25
Pelangio	.09½	.10½
Pontiac R (old)	.09	.10

	Bid	Ask
Pt Coldw	.30	.34
Propriet	5.30	5.50
Presdor	.03	.03½
Que Manl	.23	.25
Rand Mal	.13	.14
Rebair	.39	.42
Ritoria	.02½	.03½
Rhyolite	.01	.02
S.A.G.A.	.10	.15
Rou D'Or	.10	.12
Sheldon	.11	.13
Springer	.19	.21
Stadacona	.12	..
Tombill	.09	.10
Tom Iron	.62	.67
Thom L	.11	.13
Un Mining	.07	.08
Uchi	.01	.02
Wesley	.02½	.02½
Y Davids	.21	.24
Vic Ore	.29	.32

OIL ROYALTIES

Producing Wells — Prices and Payments

	Mar. 15 daily quota bbls.‡	Feb. daily quota bbls.‡	Dec. pay. 1% $	Jan. pay. 1% $	Feb. pay. 1% $	Total to Feb. 28 1% $	Offering price* per 1% $
Ace No. 1 gross	385	465	195.46	169.70	166.41	4,530.04	....
Alta. Oil Inc. No. 1 gr.	65	88	42.40	33.20	27.60	3,672.80	1,000
Do., No. 1 net	65	88	33.60	26.00	21.60	4,140.40	900
Do., No. 2 gr.	380	380	198.00	168.00	152.00	4,710.00	5,000
Do., No. 2 net	380	380	137.20	118.40	107.20	6,277.00	4,100
Allied No. 1 pfd.	93	93	41.60	37.31	32.50	1,597.70	1,400
Arrow No. 1 net	135	135	39.00	34.00	42.00	883.15	1,200
Do., No. 2 net	170	170	50.00	55.00	54.00	1,669.20	1,700
Atlas-Br. D. No. 2 pfd.	450	490	204.40	223.20	223.20	2,919.60	5,900
Do., No. 3 pfd.	430	500	....	....	....	....	5,700
D. & D. net pfd.	75	75	28.00	28.00	....	†1,893.80	....
East Crest No. 5	115	125	48.00	56.80	46.40	487.60	1,800
Independent No. 1 p.	200	200	99.79	97.02	88.17	......	2,900
Do., No. 1 gr.	200	200	85.03	82.40	74.67	2,376.25	....
Major Oil No. 1 pfd.	95	104	35.20	47.60	48.40	799.20	1,300
Do., No. 1 gr.	95	104	43.60	50.40	49.20	1,706.60	1,300
Do., No. 2 net	350	450	165.60	155.20	120.00	4,938.80	....
Do., No. 2 gr.	350	430	236.00	218.40	178.00	6,449.20	4,500
Do., No. 3 net	588	733	256.40	250.60	215.20	6,721.60	6,700
Do., No. 3 gr.	588	733	352.00	354.80	292.80	......	9,400
Do., No. 4 net	125	125	61.60	....	49.20	......	....
Do., No. 4 gr.	125	125	50.00	81.60	55.20	3,583.20	7,000
Do., No. 7 pfd.	500	500	246.40	271.20	226.80	1,284.80	3,500
Do., No. 7 dfd.	500	500	....	....	....	......	....
Do., No. 7 gr.	500	500	216.40	248.00	202.40	1,953.20	3,200
Do., No. 8 pfd.	225	315	148.40	132.00	98.80	526.00	....
Do., No. 8 gr.	225	315	130.00	118.80	91.20	1,001.20	1,300
Do., No. 8 dfd.	225	315	....	....	....	......	....
Do., No. 9 gr	320	350	151.60	147.60	134.00	1,447.80	5,000
Do., No. 9 pfd.	320	350	....	72.40	159.60	232.00	1,300
Do., No. 9 dfd.	320	350	....	....	....	......	3,300
Miracle No. 1 net	300	355	96.04	122.91	90.12	5,013.66	....
Do., No. 1 gr.	300	355	101.74	167.08	129.20	5,104.62	2,800
Do., No. 2 pfd.	200	220	156.19	....	91.16	......	....
Do., No. 2 gr.	200	220	137.40	82.80	82.80	1,125.72	3,200
Northclonmel No. 1 gross	...	...	....	....	....	......	1,300
Northclonmel No. 1 pfd.	...	...	....	....	....	......	....
Northclonmel No. 1 dfd.	...	...	....	....	....	......	....
Renown No. 1 pfd.	80	85	37.04	33.54	22.73	245.61	900
Winalta No. 1 pfd.	64	80	27.60	....	27.60	......	

*Approximately 25% over dealers' bid prices. ‡Approximate. †To Jan. 31 only.

Drilling Wells — Prices and Depths

Well:	Drilling depth ft.	Offering price per 1%
Bonaventure pfd.	testing	$2,200
Bonaventure gross	testing	3,800
Maryland Pete. pfd.	8,352	*4,375
Major Oil No. 6 pfd.	8,022	4,300
Major Oil No. 6 gr.	8,022	6,600
Miracle No. 3 pfd.	8,164	3,600
Miracle No. 3 gr.	8,164	6,000
Northend No. 1 pfd.	8,949	1,300
Northend No. 1 dfd.	8,949	700
Northend No. 1 gr.	8,949	3,200
Northend No. 2 pfd.	6,450	....
Northend No. 2 gr.	6,450	....
National Vulcan No. 1	8,740	3,800
Empire pfd. (Ont.)†	....	*1,100
Phillips Kinsella Ltd.†	....	*2,100

*Pegged price. †Acreage royalty.

STOCKS NOT TRADED THIS WEEK

[illegible]

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.79	$11.69	$10.69
Hogs	16.80	16.70	15.25
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2195	.2195	.2110
Sugar, raw, lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	1.00⅞	.98¼	.79¼
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.4	103.5	98.6
Dow Jones (fut.)	91.61	91.46	87.29
Wood, Gundy	80.4	80.4	77.0
Fishers	111.9	111.9	106.3
Monthly Indices			
Canada (D.B.S.):			
Retail (Mar.)	117.2	116.9	115.9
W'sale (Mar.)	98.5	97.5	95.0
U. S. (Jan.)	101.9	101.0	96.0
Gt. Brit. (Jan.)	162.1	161.5	156.4

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

Monthly Bank Clearings

	April 1943 $	April 1942 $
Halifax	16,443,030	16,066,972
Saint John	11,210,264	10,526,581
Moncton	5,061,331	4,758,949
Sherbrooke	4,292,121	4,219,320
Quebec	22,709,011	22,898,308
Montreal	560,779,550	520,300,012
Ottawa	328,732,091	320,803,933
Kingston	3,526,082	3,067,669
Peterborough	4,133,096	3,412,717
Toronto	644,833,728	645,726,340
Hamilton	33,544,577	32,137,717
St. Catharines	5,753,967	5,681,821
Kitchener	5,608,608	5,864,744
Brantford	5,132,780	4,624,387
London	13,236,695	12,233,327
Chatham	3,123,535	2,880,497
Windsor	19,285,004	16,356,426
Sarnia	3,266,082	1,944,657
Sudbury	4,740,330	4,081,568
Fort William	4,496,625	4,351,944
Winnipeg	313,596,275	209,690,943
Brandon	2,332,714	1,842,045
Regina	23,002,219	16,850,140
Moose Jaw	3,637,103	2,754,900
Saskatoon	8,082,704	6,840,658
Edmonton	37,685,652	26,464,463
Calgary	31,194,410	20,697,768
Lethbridge	3,520,978	2,991,486
N. Westminster	3,344,636	3,672,230
Vancouver	115,361,887	93,046,271
Victoria	8,761,918	8,007,907

Corporation Bonds
(Supplied by Investment Dealers' Association of Canada)
May 4, 1943

[illegible]

Supplementary Stock Quotations
(Furnished by Plaxton, McDonnell & Co., Toronto)
May 4, 1943

Miscellaneous Stocks:	Bid	Ask
Allens Lond. Thea., pfd.	53½	56
Atlas Steels, 7% 2nd pf.	106	107½
Brantford Roofing, c.	2½	3½
Can. Co-op. Wool.	9	10½
[illegible]		

Municipal Bonds

[illegible]

Bond Redemptions

[illegible]

Investment Trusts

[illegible]

Corporation Bonds (Cont'd)

[illegible]

Winnipeg Electric Paving the Way For Dividends

From Our Own Correspondent

MONTREAL.—Subject to approval of the Foreign Exchange Board, Winnipeg Electric Co. on Sept. 1 next will pay off 50% of the par value of the outstanding contingent certificates. At the end of 1942 there were $1,359,863 of the certificates outstanding, so that payment of 50% would reduce the amount to $679,932.

Originally the company issued $1,921,234 of certificates under the 1935 plan of reorganization. As long as any are outstanding, the company cannot pay dividends on its capital stock. The present proposal therefore goes a long way toward opening the way for a resumption of dividends on the preferred, on which dividends are being covered by a wide margin.

H. E. Sellers, Winnipeg, was elected a director of the company, replacing George Kidd, Vancouver, who retired.

Power Corp. Group Report Larger Output

Power Corp. of Canada's controlled and affiliated companies report a power output in March of 268.8 million kw.h. This contrasts with 230.3 million kw.h. for the same month last year, an increase of 9.31%.

Comparative figures of production in thousands of kilowatt hours follow:

	March 1943	March 1942
B. C. Power	73,563	65,974
Canada Northern Power	51,418	55,884
East Kootenay Power	9,548	11,037
Northern B. C. Power	1,947	1,564
Southern Canada Power	27,337	26,911
Winnipeg Electric	105,049	88,941
	268,863	250,312

Annual Meetings

1943	Company	Place
May 17	Matachewan Cons.	Toronto
May 11	Osisko Lake Mines	Toronto
May 12	Amalgamated Oils	Calgary
May 12	Anglo-Candn. Oil	Calgary
May 12	International Paper	New York
May 13	Loblaw Groc. Inc.	Buffalo
May 13	E. L. Eddy	Toronto
May 24	Minn. and Ont. Paper	Minneapolis
May 20	Nipissing Mines	Toronto
June 15	Western Grain*	Winnipeg
July 14	Ritz Carlton Hotel*	Montreal

*Bondholders.

Dividends Declared

	This payment $	Date payable	Date of record
Acme Glove, pref.	‡3.25	May 17	Apr. 30
Anglo-Candn. Oil	*■.04	May 15	May 1
Aunor Gold	.04	June 1	May 7
Algoma Steel, pf.	2.50	July 1	June 1
Aluminium	2	July 5	May 14
Do., pref.	†1.50	June 1	May 7
Assoc. Brew.	.25	June 30	May 31
Do., pref.	1.75	July 1	May 31
Bank of Montreal	1.50	June 1	Apr. 30
Bank of Toronto	2.50	June 1	May 15
Bathurst Pr. & P., A	.25	June 1	Apr. 30
Belding Corticelli	1	July 1	May 31
Do., pref.	1.75	July 1	May 31
Berens River Mines	*.03	June 10	May 7
Bk. Can. Nationale	1.50	June 1	May 15
Borden's	†.30	June 1	May 15
Barber Ellis	.12½	June 15	May 31
Beattie Gold	.04	June 30	May 12
Brewers & Dist.	■.50	May 20	Apr. 20
Do., bonus	■.10	May 20	Apr. 20
Brazilian Tr.	.75	June 15	Apr. 27
Broulan Porc.	*.03	May 31	Apr. 30
Bruck S. Mills	■.10	June 15	May 14
Can. Marconi	.04	June 1	Apr. 15
Corr. Paper Box, p.	1.75	June 1	May 17
Do., arrears	7	June 1	May 17
Can. For. Invest., pf.	■2	July 1	June 1
Canada Malting	.50	June 15	May 15
Can. Ind. Alcohol A B	.10	June 1	May 3
Can. for. Invest., pf.	■2	July 1	June 1
Can. Int. Inv. Tr., p.	.50	June 1	May 10
Can. Malartic Gold	.02	June 30	May 6
Can. Bakeries, pfd.	1.25	June 1	Apr. 30
Can. Nor. Power	■.15	July 26	June 19
Do., pref.	■1.75	July 15	June 19
Can. Breweries, pf.	.85	July 1	May 15
Can. Crushed Stone	.10	June 15	June 1
Candn. Ins. Shs.	1.00	May 11	Apr. 30
Candn. Oil Cos.	.25	May 15	Apr. 20
Can. Westinghouse	.50	July 1	June 16
Cockshutt Plow	.25	June 1	May 15
Coast Brew.	.03	May 1	Apr. 15
Consumers Glass	.50	May 31	Apr. 30
Cosmos Imperial	.30	May 15	Apr. 30
Crown Cork	.50	May 15	Apr. 15
Cochenour Willans	.03	June 1	May 10
Chase, A. W. pf.	.50	May 10	Apr. 30
Crow's Nest Coal	■1.50	June 2	May 8
Deb. & Secs., pfd.	2.50	July 1	June 19
Delnite Mines	*.03	May 31	May 13
Dom. Anglo Invest.	4	June 1	May 14
Do., pref.	1.25	June 1	May 14
Dome Mines	■.40	July 30	June 30
Dom. Bridge	.30	May 25	Apr. 30
Dom. Found. pfd.	1.50	June 1	May 10
Dom. Engineering	2	May 15	Apr. 19
Dom. Scot. Invest., p.	■1	June 1	Apr. 30
Dominion Stores	.10	June 19	May 24
East. Steel Prod.	.25	June 1	May 14
Fleet Aircraft	■‡.25	June 15	May 15
Falconbridge N.	.07½	June 30	May 4
Ford Motor, A, B	.25	June 19	May 29
Gen. Stl. Wares, p.	1.75	May 24	May 7
Do., particip.	.38	May 24	May 7
Granby Cons. M.	†■.15	June 1	May 14
Gt. Lks Pap. A, B, p.	.25	July 2	June 2
Hedley Mascot	.02	May 15	Apr. 21
Hallnor Mines	.10	June 1	May 7
Hiram Walker	1	June 15	May 14
Do., pref.	.25	June 15	May 14
Hollinger Cons.	.05	May 20	May 6
Home Oil	*■.15	June 15	May 10
Honey Dew	.50	July 1	June 15
Inter. Nickel, c.	.50	June 30	June 1
Island Mount'n G.M.	*.05	May 25	Apr. 23
Lamaque G. M.	.10+.05	June 1	Apr. 30
Lang, J. A.	.17½	July 2	June 10
Langley's pref.	■.50	Jun. 11	Jun 3
Do.,	■.50	Sep. 11	Sep. 3
Do.	■.50	Dec. 11	Dec. 3
Leitch G. M.	.02	May 15	Apr. 15
Loblaw Groc. Inc.	.25	June 1	May 14
Laura Secord	■.20	June 1	Apr. 30
Loblaw Groc., A, B	.25	June 1	Apr. 30
Do., extra	.12½	June 1	Apr. 30
Lake of W. Mill.	.30	June 1	May 3
Do., pref.	1.75	June 1	May 3
Lake Shore Mines	.20	June 15	May 15
Montreal Cottons	1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Madsen R. Lake	.03	May 20	Apr. 20
McMarmac R. Lake,	§.04	May 10	Apr. 20
Model Oils	.02	June 19	May 22
Nan-Dun. Util., p.	.81¼	June 1	May 15
Neilson, Wm., p.	1.75	May 31	May 17
Noranda Mines	1	June 15	May 14
N. S. Light & Pr., pf.	1.50	June 1	May 15
Ottawa L. H. & Pr.	.15	July 1	May 10
Do., pref.	1.25	July 1	May 10
Ogilvie Flour	.25	July 1	May 28
Do., pref.	1.75	June 1	Apr. 30
Ont. Steel Prod.	.25	Aug. 16	July 16
Do., pref.	1.75	Aug. 16	July 16
Paton Mfg.	*1	June 15	May 31
Do., pref.	1.75	June 15	May 31
Penmans	.75	May 15	Apr. 15
Powell Rouyn	*.02	May 15	May 1
Proprietary M.	.05	May 6	Apr. 5
Prov. Bank	1.25	June 1	May 15
Pressed Metals	†.25	May 15	Apr. 15
Privateer Mine	■.02	May 10	Apr. 25
Pato Cons. G.	.15	May 31	May 12
Power Corp.	■.15	June 30	June 10
Do., pref.	■1.50	July 15	June 19
Do., 2nd pref.	■.75	July 15	June 19
Quebec Power	.25	May 25	Apr. 19
Rolland Paper	.15	May 15	May 5
Do., pref.	1.50	June 1	May 15
Regent Knit, pfd.	.40	June 1	May 1
Do.,	.40	Sept. 1	Aug. 2
Do.,	.40	Dec. 1	Nov. 2
Royal Bank	1.50	June 1	Apr. 30
Sherbrooke Trust	1.50	May 1	Apr. 15
Sigma Mines	■.30	July 28	June 28
Shawinigan W.	.22	May 25	Apr. 19
Sherritt Gordon	.03	June 30	May 14
Sherwin-Wms. pf.	1.75	July 2	June 10
Simpsons Ltd.	▲2.00	June 15	May 15
Siscoe Gold	.01‡	June 15	May 12
South Can. Pwr.	■.20	Aug. 16	July 20
Do., pref.	■1.50	July 15	June 19
Teck-Hughes	■.10	June 1	Apr. 30
Toburn Gold	.01	May 22	Apr. 22
United Corp. A.	.37	May 15	Apr. 15
United Steel	§.10	June 1	May 15
Do., extra	.05	June 1	May 15
Do., pref. A	.75	May 1	Apr. 21
Upper Can. Mines	*.02½	May 29	May 15
Waite Amulet	.15	June 10	May 10
Western Brew.	.15	May 15	May 1
Wilsil	.25	July 1	June 1
H. Walker-Good.	1	June 15	May 14
Do., pref.	.25	June 15	May 14

†N. Y. funds. ■Subject to approval of Foreign Exchange Control Board. ▲On arrears. *Interim. ‡Arrears eliminated by this payment. §Initial. ‡Extra payment eliminating arrears.

DIVIDEND NOTICES

Ottawa Light Heat and Power Company, Limited

The following dividends are payable 1st July, 1943, to Shareholders of record 10th May, 1943.

Preferred Stock: 1¼% (being at the rate of 5% per annum.)

Common Stock: Fifteen Cents (15 cts) per share on the No Par Value Shares.

The transfer books will not be closed.

By Order of the Board.

F. W. FEE, Secretary.

OTTAWA, 30th April, 1943.

Lake of the Woods Milling Company Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the preferred shares of the Company, payable on June 1st, 1943, to shareholders of record at the close of business on May 3rd, 1943.

By Order of the Board,

D. A. MacINNES, Secretary.

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of 30 cents per share has been declared on the outstanding shares of the common stock of the Company, payable on June 1st, 1943, to shareholders of record at the close of business on May 3rd, 1943.

By Order of the Board,

D. A. MacINNES, Secretary.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 62

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the company on June 19, 1943, to shareholders of record at the close of business May 29, 1943.

G. G. KEW, Secretary.

Windsor, Ont. April 26, 1943.

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 329

NOTICE is hereby given that a DIVIDEND of ONE DOLLAR AND FIFTY CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1943.

By Order of the Board

B. C. GARDNER, General Manager.

Montreal, 20th April, 1943.

Canada Malting Co., Limited

Dividend Notice

NOTICE is hereby given that a quarterly dividend of fifty cents (50c) per share has been declared on the no par value stock of the Company. The above dividend is payable June 15, 1943, to Shareholders of record at the close of business on the 15th day of May, 1943. The books of the Company are to be closed from May 17th, 1943, to June 14th, 1943, inclusive.

Share Warrant Holders will present Coupon Serial No. 62 to The Royal Bank of Canada, MONTREAL, TORONTO, WINNIPEG and CALGARY, on or after June 15, 1943.

By order of the Board,

JOHN P. HEIGHTON, Secretary.

Dated at Montreal, April 29, 1943.

ALUMINIUM LIMITED

COMMON DIVIDEND

On April 29th, 1943, a quarterly dividend of $2.00 (Canadian funds) per share was declared on the common stock of this company, payable June 5th, 1943, to shareholders of record at the close of business, May 14th, 1943.

29th April 1943 — J. A. DULLEA, Secretary

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 93

NOTICE is hereby given that a dividend of Twenty Cents per share, on the issued capital stock of the Company, will be paid on the fifteenth day of June, 1943, to shareholders of record at the close of business on the fifteenth day of May, 1943.

By order of the Board.

KIRKLAND SECURITIES LIMITED, Secretary.

Dated at Kirkland Lake, Ontario. May 1st, 1943.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a fixed cumulative dividend of $1.75 per share, being at the rate of 7% per annum, in respect of the three months' period commencing on the 1st day of February, 1943, and ending on the 30th day of April, 1943, and a cumulative participating dividend of thirty-eight cents per share in respect of the year 1942, have been declared on the outstanding 45,000 shares of 7% Cumulative Participating Preferred Stock of a par value of $100.00 each of General Steel Wares Limited, payable on the 24th day of May, 1943, to shareholders of record at the close of business on the 7th day of May, 1943.

By order of the Board.

FRANK S. BROPHY, Secretary.

Montreal, April 29th, 1943.

BEATTIE GOLD MINES (Quebec) Limited

(No Personal Liability)

DIVIDEND NO. 21

NOTICE IS HEREBY GIVEN that a dividend of 4 cents per share has been declared by the Directors of Beattie Gold Mines (Quebec) Limited, payable in Canadian funds on June 30th, 1946, to shareholders of record May 12th, 1943.

By Order of the Board.

H. WHITTINGHAM, Secretary-Treasurer.

May 3rd, 1943.

Borden's

COMMON DIVIDEND No. 133

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1943, to stockholders of record at the close of business May 15, 1943. Checks will be mailed.

The Borden Company

E. L. NOETZEL, Treasurer

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 370

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 20th day of May, 1943, to shareholders of record at the close of business on the 6th day of May, 1943.

Dated the 29th day of April, 1943.

P. C. FINLAY, Secretary.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN THAT a Quarterly Dividend (No. 59) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the First day of July, 1943, to Shareholders of record at the close of business on the Thirty-first day of May, 1943.

NOTICE IS ALSO GIVEN THAT a Quarterly Dividend (No. 56) of Twenty-Five Cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared payable on the Thirtieth day of June, 1943, to Shareholders of record at the close of business on the Thirty-first day of May, 1943.

By order of the Board.

I. N. WILSON, Treasurer.

Calgary, Alberta, April 29th, 1943.

Ice Slows Grain Move

Slow Start Means Heavier Effort on Ore Traffic

From Our Own Correspondent

WINNIPEG.—Bad ice conditions on the lakes have slowed the movement of the lake fleet upward bound for grain cargoes at Port Arthur and Fort William, and the delay probably means some considerable diminution in shipments out of lakehead terminals. Some of the vessels for which at least one trip in grain had been planned will go at once into ore carrying, as the ore piles are getting into shape for easy handling.

Moreover, the delayed opening of navigation means that extra efforts will have to be put into the ore traffic, to keep pace with demand from the steel mills.

There are still considerable quantities of wheat in eastern positions, ample to take care of overseas movement for some time. Consequently the preference in early shipments will be given to grain destined for consumption in the United States, including, besides oats and barley, the 7½ million bushels of wheat recently purchased by the Commodity Credit Corporation for account of the U. S. Government.

Prices Hold

The wheat market has shown sufficient strength to keep prices close to the dollar mark, and to absorb new deliveries by farmers, coming at the rate of about 4.5 million bushels weekly. Practically all of this wheat is being sold on the open market, with only occasional small amounts going to the Wheat Board.

Buying on account of the United States Government has not yet been resumed, but there is a high degree of confidence that further heavy purchases are in prospect for the immediate future, enough confidence to maintain fairly steady buying to keep pace with the offerings made on the market.

Other Demand Maintained

Demand for oats and barley continues good, quite enough to maintain prices at ceiling levels, although forward movement from the country has been sufficient to ease what looked like a tight position in the futures market, with some danger that there might not be sufficient grain at the head of the lakes to meet commitments which had been made for May delivery.

Some new business in oats has recently been worked to the United States, after a period of hesitation which set in when the new system was introduced of charging an equalization fee for exports of oats to the United States. The fee first established of six cents a bushel seemed for a time to be high enough to discourage any business, but a modification to 5½ cents has found some takers. Dealers anticipate that the Wheat Board, which administers the permit system, may have to introduce a somewhat lower rate to enable business once more to be done for direct all-rail shipment to points in the central western states.

The freight cost of such movement is somewhat higher than when movement is made by the water route from the head of the lakes. It is important to keep the all-rail channel open, to make use of whatever cars of American railways may be available for the traffic.

No Barley Fee

No fee is being charged for permits for barley. The malting trade is absorbing practically all the barley shipped south, and the price and freight rate structure has many complications, including the various destinations where malting barley may be required, and the special selection needed to get just the types of grain required for different purposes. The distilling trade is able to use a different type of grain to that for brewers.

Prospective demand for oats is sufficiently strong to tax supply so the Wheat Board has lifted all restrictions on country deliveries at Manitoba points, and at a considerable number in Saskatchewan. Previously the maximum quota for oats had been 30 bushels per acre. With most points limited to 20 bushels it is to be expected that in due course quota restrictions on barley will also be removed.

The Wheat Board, in adjusting quotas and in allotting railway cars for deliveries, has to keep in mind the importance of keeping moving these kinds and grades of grain for which the current demand is strongest. It also must remember the need for making it possible for every farmer in the west to deliver wheat up to 14 bushels per acre.

Seeding is making fair progress throughout the west, and farmers will probably, in spite of a late start, be able to put in their full intended acreage of wheat. Most of them will want to increase their acreages in oats and barley, which can be put in later than wheat.

The Business Of Farming

By GORDON L. SMITH

Canadian agricultural development in this war has differed substantially from that during the first world conflict and the postwar pattern is likewise expected to be different. For about two years, following the Armistice of 1918, Canadian farmers found a ready market in Europe for a great volume of products, especially wheat, flour, livestock feed and seed, and they were wanted in about that order of importance. After this war the demand is expected to continue for a much longer period and include livestock and livestock products.

There are several reasons for the change. Two of the most important are the much wider area of serious disturbance and the fact that in this war the highly developed agricultural countries of Denmark and Holland are included.

* * *

Little Destruction Then

Last time much of European agriculture came through the war with relatively little actual destruction. A narrow belt along the 1914-17 trench lines was put out of crop production for a few years and there was more serious loss through forced slaughtering of livestock for invading armies and the commandeering of farm horses. There was also gradual impoverishment due to lack of commercial fertilizer—raw materials went into munitions—lack of labor and lack of imported livestock feed. But in spite of all this the great European agricultural plant in most areas was again practically in full production within two years of the firing of the last shot.

In the meantime a good deal of grain had to be brought in from the western hemisphere and from Australia for the feeding of both human beings and livestock, and also there were huge imports of clover and grass seed to restore pastures and hay fields plowed up for wartime grain production. For the most part, however, sufficient foundation stocks of livestock and other lines had been retained to expand fairly quickly to normal production.

* * *

Permanent Loss This Time

In this war it is feared much of foundation stock has been destroyed. Denmark, Holland and the occupied Channel Islands—home of Guernsey and Jersey cattle—have undoubtedly suffered heavily. These countries provided breeding stock for much of Europe. They and others produced much of the world's seed.

Their intensely developed agriculture was absolutely dependent upon a continuous and heavy import of cheap feed and commercial fertilizer. That cut off, they faced forced liquidation. For a little while after the Germans entered there would be abundance of meat and other foods, much more, in fact, than normal, but once eaten, that would be the end of it.

In the last war, indeed, Holland at least saved her own and part of neighbor Belgium's foundation livestock. Prize Belgian horses were run across the Dutch border before the Germans invaded and brought back again after the peace. There will be no similar salvage this time except for some cattle from the Channel Islands which were moved to England.

* * *

See Prolonged Demand

Undoubtedly all this will result in a great demand for Canadian agricultural products after this war. Not only will Canada and other uninvaded or besieged members of the United Nations be called upon to furnish Europe and Asia with human food, but we will also have to supply much foundation stock for restoring their agriculture.

Even in areas which the Germans did not reach, except with bombs, such as Great Britain and the uninvaded parts of Russia, there has been much serious disturbance to agriculture. Due to shortage of imported feed—shipping space was needed for human food and munitions—there has been substantial liquidation of commercial herds and flocks. These will have to be rebuilt after the war and this rebuilding will take years.

Undoubtedly this problem will come in for prominent discussion at the coming world food conference in Virginia this month and also the equally important one of allocation of international food markets after the reconstruction has been completed and full agricultural production throughout the world is possible again.

DIVIDEND NOTICES

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of one and a half per cent (1½%) has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of May, 1943. This dividend, bearing the number 209, will be payable at the Main office or at the branches of the Bank, on or after the 1st day of June, to the shareholders of record on May 15th, at noon.

By order of the Board,

CHARLES ST-PIERRE, General Manager.

Anglo-Canadian Telephone Company

CLASS A DIVIDEND NOTICE

NOTICE is hereby given that a dividend of One and One-half per cent has been declared on the Class A Stock of the Company, payable June 1, 1943, to Stockholders of record at the close of business on May 10, 1943.

By Order of the Board,

CAMERON HOUGH, Secretary.

Montreal. April 13, 1943.

Upper Canada Mines Limited

(No Personal Liability)

DIVIDEND NO. 12

Notice is hereby given that an interim dividend of two and one-half cents (2½c) per share has been declared on the outstanding capital stock of the Company, payable in Canadian Funds on May 29th, 1943, to shareholders as of record at close of business May 15th, 1943.

By Order of the Board.

G. F. SUMMERS, Secretary-Treasurer.

Toronto, May 4th, 1943.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held April 28th, 1943, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable July 1st, 1943, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record June 16th, 1943.

Cheques will be mailed to Shareholders.

By order of the Board,

W. E. SPRAGUE, Secretary.

Hamilton, Canada, May 3rd, 1943.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held April 27, 1943, a dividend of fifteen cents (15¢) per share was declared, payable June 9, 1943, to stockholders of record at the close of business, May 26, 1943.

W. J. WILLIAMS, Secretary

DIVIDEND NOTICES

Coniaurum Mines Limited

DIVIDEND NO. 22

NOTICE IS HEREBY GIVEN that a dividend of 6 cents per share has been declared by the Directors of Coniaurum Mines Limited, payable in Canadian funds on June 30th, 1943, to shareholders of record May 12th, 1943.

By Order of the Board.

H. WHITTINGHAM, Secretary-Treasurer.

May 4th, 1943.

DELNITE MINES, LIMITED

(No Personal Liability)

To SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 7.

TAKE NOTICE that an interim Dividend of 3% (i.e. three cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 7.

Such Dividend will be payable May 31st, 1943, to Shareholders of record at the close of business May 13th, 1943.

In the case of Share Warrants such Dividend will be payable on or after May 31st, 1943, in respect of the shares specified therein upon presentation and delivery of Coupon No. 7 accompanied by requisite evidence that the coupon holder is domiciled and resident outside of Ontario, at The Canadian Bank of Commerce, Toronto, Canada.

BY ORDER OF THE BOARD.

W. S. WALTON, Secretary.

May 4th, 1943.

Sherritt Gordon Mines Limited

(No Personal Liability)

DIVIDEND NO. 7

NOTICE IS HEREBY GIVEN that a dividend of 3 cents per share has been declared by the Directors of Sherritt Gordon Mines Limited (No Personal Liability) payable in Canadian funds on June 30th, 1943, to shareholders of record on May 14th, 1943.

By Order of the Board.

H. WHITTINGHAM, Secretary-Treasurer.

May 4th, 1943.

Western Grocers Sales Continue Up

First Quarter This Year Ahead of Last, Shareholders Told

Sales of Western Grocers, Ltd., in the first three months of 1943 were above those of the previous comparative period, W. P. Riley, president, told shareholders at the annual meeting in Winnipeg late last month.

Reporting for 1942, the first full year of operation under price ceilings, Mr. Riley stated that business volume showed a general increase. "Speaking broadly, the effect of price control has been beneficial to the whole economy of our country and we believe has not materially hampered the operations of any business which is conducted along sound lines," he declared. Subsidiaries of Western Grocers, Dominion Fruit, H. H. Cooper Ltd. and W. H. Malkin Co. Ltd., also reported increased business.

Kensington Manor Apts., Windsor, has accumulated sufficent funds to pay six months interest at 7% to first mortgage bondholders to April 20, 1935, plus past due interest at 5%. For each $100 of bonds the payment will amount to $4.90 less 34 cents tax for residents and 74 cents tax for nonresidents. As there are no more coupons attached to the bonds, it will be necessary for holders to forward the bonds with ownership certificates to London & Western Trusts Co., Windsor.

Wheat Prices

Winnipeg Grain Futures

Week of May 3, 1943

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close May 3
		Wheat			
1.02⅝	.91⅝	May	1.00⅝	.97⅝	1.00⅝
1.03⅜	.95⅛	July	1.01¼	.98½	1.01⅛
1.04¼	.96	Oct.	1.01¾	.98⅞	1.01⅝
		Oats*			
.51½	.45⅝	May	.51½	.51½	.51½
.51½	.47⅝	July	.51½	.51½	.51½
.51½	.49⅜	Oct.	.51½	.50½	.51¼
		Barley*			
.64¾	.62⅝	May	.64¾	.64¾	.64¾
.64¾	.62⅝	July	.64¾	.64¾	.64¾
.64⅜	.64	Oct.	.64⅜	.64	.64⅜
		Rye			
.80¾	.56¼	May	.80¾	.77⅛	.80¾
.82⅛	.65	July	.82⅛	.77¾	.81⅞
.82½	.70½	Oct.	.82½	.78¼	.82⅛

*At ceiling.

Cash Quotations

	For Week May 3 High	Low	Prev. Week High	Low
Wheat:				
1 Nor.	1.01	.98¼	1.00	.98¼
2 Nor.	.97⅝	.94¾	.97	.94¾
3 Nor.	.96	.93	.95⅜	.93
4 Nor.	.93⅛	.88¾	.92⅜	.88¾
5 Wheat	.88	.85¼	.89⅞	.85¾
6 Wheat	.87	.84¼	.89⅜	.84¾
Oats:				
2 C. W.	.51½	.51⅜	.51⅜	.51¼
3 C. W.	.49¼	.49⅛	.49¼	.49¼
Barley:				
1 Feed	.61¼	.61¼	.61¼	.61¼
2 Feed	.59½	.59½	.59½	.59½
Rye:				
2 C. W.	.80¾	.77	.78⅜	.76¾

Windsor's Finest
325 Fireproof Rooms
Spacious Sample Rooms
Cafeteria and English Grill
RATES From $2.00
P. D. NORTON Pres. and Mgr.
HOTEL NORTON PALMER

When in MONTREAL
MEN of affairs naturally stop at The Windsor because of its convenient location and its well-established reputation for courtesy, comfort and service.
The Windsor is recognized as the proper place for business and social meetings.
The Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND
PRESIDENT

Since 1857
James Richardson & Sons
LIMITED
Grain Merchants
Shippers and Exporters
HEAD OFFICE WINNIPEG
Branches Throughout Canada

FEDERAL GRAIN LIMITED
OPERATING TERMINAL ELEVATORS - FORT WILLIAM - PORT ARTHUR - VANCOUVER
436 COUNTRY ELEVATORS THROUGHOUT THE WEST
113 COAL SHEDS
Our Service and Facilities Guarantee Satisfaction

McCABE BROS. GRAIN CO. LTD.
WINNIPEG, MAN.
Grain Commission Merchants — Shippers and Exporters — All Grains-Sacked Feeds
Country and Terminal Elevator Operators
Grain Merchandising
MANITOBA - SASKATCHEWAN - ALBERTA
Offices: DULUTH - MINNEAPOLIS

TORONTO ELEVATORS LIMITED

GRAIN
MASTER FEEDS
LINSEED & SOYA OILS
Also Owning and Operating
THE SARNIA ELEVATOR CO. LIMITED
SARNIA ONTARIO
QUEEN'S QUAY, TORONTO

* The trouble Finder symbolizes the idea that prevention is better than cure. This is the dominant idea in engineering insurance written by The Boiler Inspection Company.

INDUSTRIAL accidents like this happen frequently . . . but they happen seldom, if at all, in plants where the power equipment is insured with The Boiler Inspection Company.
The reason is an idea — the proverbial idea that prevention is better than cure.
This idea is given practical expression by The Boiler Inspection Company through regular inspection of insured equipment by trained trouble finders. A corps of more than 40 field men keeps constant check on insured plants, and by this means often detects minor weaknesses which, left undetected, could grow into major accident producing causes.
Because this plus service is so effective, Canadian industry pays to The Boiler Inspection Company alone more than half of all premiums paid to the 23 companies writing this type of insurance in Canada.
Tell your insurance agent or broker you want full details.
The Boiler Inspection and Insurance Co. of Canada

A Double Barrelled Investment

When you buy Victory Loan Bonds you get not only the best possible security for your money—a stake in your country—but also help to safeguard everything else you own or enjoy—including your freedom.

Back the Attack with VICTORY BONDS

Buy to Win

THE ROYAL TRUST COMPANY
CORPORATE SECURITY · PERSONAL SERVICE

Norwin Molybdenite Mines sold 20,000 shares at 5 cents a share to J. H. Hunter by agreement of Feb. 8 and granted an option on a further 630,000 shares at 5 to 17½ cents a share payable by Dec. 15, 1943. Authorized capital is 3 million shares with 1,279,505 shares issued.

War Contracts

M. & S. Gets New Power

Price Re-negotiations Reflect Efficiency

"If the Minister is satisfied, upon an examination of accounts and records of a person who has entered into a munitions contract, that the contract price paid and payable to such person contains an unreasonable profit, he may direct such person to re-negotiate the contract price and may direct that there be withheld from such persons any amount of the contract price, which in the opinion of the Minister represents an unreasonable profit, and may direct such person to pay to the Receiver General of Canada forthwith any amount such person has received which, in the opinion of the Minister, represents an unreasonable profit."

Recently, Hon. C. D. Howe moved the above amendment to the act governing the Department of Munitions and Supply. Its purpose is to formalize the right of the department to re-negotiate contracts with war production firms whose profits have reached higher than expected levels. In the debate which followed, Mr. Howe made it clear that the greater part of these profits resulted from the steadily increasing efficiency of the firms concerned, not from excessively generous prices. Here are some of the statements the minister made in the House:

Cost Reduction

Mr. Howe: "This is a clause giving the Department power to renegotiate any contract. The tendency is for many types of war contracts to give an increasing profit as time goes on. In repetition work the plant becomes more efficient, the workmen become more skilled, and the result is that the cost drops. It has been the practice of the department to re-negotiate these contracts very frequently. I think we hardly have a continuing contract that has not been re-negotiated two or three times and new prices fixed.

Target Prices

"Reference has been made to target price contract. That is a very good example. In that case the target is fixed, perhaps at too high a level and it is necessary to revise the target frequently or to change from a target price contract to a firm price contract. We have had no great difficulty in the past in working out these re-negotiations. Industry has been fair and co-operative, and by mutual consent we have been able to arrange a new price level. We have the power in any event to cancel contracts, and we have the power to make new contracts, but recently we have been re-negotiating some very large contracts, and my officers believe we should have the power of re-negotiation expressly covered by the Act. Therefore, we are asking for it at this time."

Included in Contracts

Mr. Howe then explained that the re-negotiation clause had been included in many of the target contracts, but that henceforth it would be included in the Act and hence would not necessarily be in individual contracts.

How Big a Profit?

On the rate of profit, Mr. Howe stated: "The matter of profits falls into a pattern. The reasonable rate of profit depends on the rapidity of turnover, the volume used, the amount of financing done by the contractor himself, the amount of assistance he may require from the government. All these factors are constantly being studied by the Department. From time to time we get fairly clear indications that a particular profit situation is getting out of line. In such cases we ask for renegotiation.

Low Cost Ships

"For instance, we are making our second adjustment in respect of ships. Not only do we find the main contractors are becoming so efficient that profits have become excessive, but we find that sub-contractors are in the same position. We have been through every main contract and sub-contract in our shipbuilding program, refixing prices.

Incentives Retained

"I think all honorable members agree that fixed prices which give an incentive to the builder are desirable and we use them more and more. But even fixed prices must be subject to readjustment, or in time they will produce excessive profits. One is amazed when he sees how costs can be brought down by organization, efficiency and repetition.

"To give an example, I think the Bren gun was contracted for on the basis of $600 per gun; today the price is less than $200 per gun. The first contract for rifles produced in a government operated plant was at $80 per rifle and that was considered reasonable. Today I believe it is down somewhere in the neighborhood of $25 per rifle."

Asked to what extent the cost plus type of contract is still being let and in what particular lines of work, Mr. Howe replied as follows:

Cost Plus Contracts

"I think there is a misunderstanding about cost plus contracts. The ordinary person usually thinks of a cost plus contract as a contract involving cost plus a certain percentage, so that the greater the volume of work the greater the profit. I think there is no contract of that type in the Department. We have contracts involving payment of cost plus a fixed fee.

"For instance, in Newfoundland it has been impossible to arrive at costs. There is a certain amount of inflation there and costs are variable and beyond the control of any Department in Canada. There we have cost, plus a fixed fee. A contractor is given, say, a $50,000 fee to do $2 millions of work. The work may cost $1.5 millions or $2.5 millions. The cost is the cost as audited by government accounts, but the fee is fixed.

"That type of contract is used under certain conditions where it is not possible to determine cost accurately.

"For the same class of work in Canada we would use the unit price contract; that is so much a yard for moving clay, so much a yard for rock, so much for a yard of concrete in place. That is the unit price contract."

Some Profit Margins

Mr. Howe then stated that ordinarily the same margin of profit is allowed for a small as for a large firm. If a firm was unable to meet the contract price that has been established, the Department took the view that it should not be in that business and other work was found for it to do.

Mr. Graydon, member for Peel, then asked about the time element in re-negotiating contracts, whether contracts were re-negotiated as soon as abnormal profits began to appear.

Continuous Check

Mr. Howe: "We have our officers in the plant who study costs and efficiency and report constantly. We are well advised as to what the margin is, and when it is getting out of line; we can check the situation by company earning statements and by other methods.

Retroactive

"I may say that we re-negotiate retroactively as well as for the future. For instance, our ship negotiations cover ships which have been built as well as ships to be built, so that if we do not get results this month, we shall probably do so six months later."

Mr. Howe went on to point out that the Department had more difficulty in keeping tab on the profits of sub-contractors, largely because there was no direct connection between them and the Department of Munitions and Supply. But he added:

Voluntary Refunds

"It is quite usual for a contractor to tell us that his profits are too large under a contract and to make a voluntary refund. A short time ago a business man who operates in a comparatively small way by taking sub-contracts came in and showed me his financial statement.

"He told me that he did not want to make excessive profits and handed me a large cheque made out to the Receiver General of Canada covering his excess profits in full. That happens quite frequently.

Taxes Take Balance

"The tax collector makes an adjustment in any case for anything over the standard profit. Our office watches very closely the tax returns of companies holding contracts with the government. It is difficult in wartime to conceal earnings or profits from the tax collector. I venture to say that no contractor has made undue profits which have not been adjusted or will be adjusted before the war is through."

For some time, the Department of Munitions and Supply has exercised the privilege of re-negotiating contracts with manufacturers whose efficiency in production has brought a wider profit margin than was anticipated when the original price was set. Recently, this power was formalized by inclusion of a new section in the Act incorporating the Department.

"Well, sir, the war changed a lot of things. Many of the plans we had worked out for 1943 just won't happen this year. There are bigger, more important things to think about. This was the year we had planned to do some spending, but we're going to do a lot of saving instead — saving and hoarding to win the war.

"If you had told me before the war that I would pay the taxes I'm paying, keep up my life insurance, and still keep going I wouldn't have believed it. But here I am, doing all these things, and besides that I'm buying and hoarding more and more Victory Bonds and War Savings Certificates. The sacrifices we make are little enough to pay for freedom and a future for the wife and kids."

"Back the Attack!"
Buy Victory Bonds NOW!

The Fourth Victory Loan will be a mighty weapon. Take it up. Invest every dollar you can in this biggest undertaking this country has ever attempted. This is our war — it is a people's war against domination and aggression by the forces of evil. Victory Loan Dollars are freedom dollars. Let us put our dollars where they will give added force and striking power to Canada's war effort.

NORTH AMERICAN LIFE ASSURANCE COMPANY

Head Office: TORONTO, ONT.

JOHNS-MANVILLE JM PRODUCTS

Pioneers of hundreds of asbestos products, Johns-Manville is constantly developing new and improved materials to control heat and cold . . . protect against fire, weather and wear.

This continuous research is accelerating the war effort today . . . and will contribute to better living and working conditions tomorrow.

CANADIAN JOHNS-MANVILLE CO., LIMITED
Mine and Factory at Asbestos, Que.
MONTREAL TORONTO WINNIPEG VANCOUVER

J-M BUILT-UP ROOFS • J-M CORRUGATED TRANSITE SIDING • J-M INDUSTRIAL FLOORING • J-M INSULATING BOARD PRODUCTS • J-M ASBESTOS WALLBOARDS • J-M ROCK WOOL INSULATION • J-M INDUSTRIAL INSULATIONS • J-M REFRACTORIES • J-M ACOUSTICAL SERVICE AND MATERIALS • J-M PACKINGS AND GASKETS AND OTHER ESSENTIAL MATERIALS FOR FACTORY, MILL, SHOP, OFFICE

FA

1929 . . . 14 YEARS . . . 1943
From years of peace to years of war.

To the paths of war Fairchild brought 10 years of experience in the manufacture of commercial planes — all of which, in these 4 years of strife, has proven an invaluable asset in establishing it as one of the leading builders of military aircraft in Canada.

FAIRCHILD AIRCRAFT LIMITED
LONGUEUIL (Montreal), QUE.

Bolingbroke Bombers . . . . Curtiss Hell-Diver

Back the Attack — Buy VICTORY BONDS

IF THERE WERE NO LIFE INSURANCE!

...what want and suffering would exist among families whose breadwinner has passed on, with little or no estate to leave them.

For remember this—of all the money left at death, 87% of it comes from Life Insurance. If you do not possess *adequate* financial protection for your family, don't put off buying Life Insurance.

See our Representative

DO IT NOW! BRANCHES IN ALL PRINCIPAL CANADIAN CITIES DO IT NOW!

Dominion Life ASSURANCE COMPANY Since 1889
HEAD OFFICE: WATERLOO, ONTARIO

CANADIAN WRIGHT LIMITED

Exclusive Agents in Canada For Wright Aeroplane Engines

ASSEMBLING OVERHAULS GENERAL SERVICE

HEAD OFFICE AND WORKS
6259 Notre Dame St. East, Montreal

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning directly or through subsidiary companies, mills at

Beaupre, Que. — Iroquois Falls, Ont.
Pine Falls, Man. — Smooth Rock Falls, Ont.
Sault Ste. Marie, Ont. — Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Quebec Pulp's Status Outlined

Quebec House Told Price Bros. and Aluminum Make Payments

From Our Own Correspondent

MONTREAL. — Preferred shareholders of Quebec Pulp & Paper Corp. are no worse off since the bankruptcy than before, according to a statement made by the Hon. Wilfrid Hamel, Minister of Lands and Forests, when discussing the position of the company in the Provincial Legislature.

For many years Quebec Pulp operated at a loss and at the end of 1942 the accumulated deficit was well in excess of $5 millions. At that time the company owed the government something like $1.8 million on account of water rental.

Last October the government filed a petition in bankruptcy against the company, Hon. Pierre Cote, then Minister of Lands and Forests, declaring that the action taken "was the only practical way to reopen the mill and obtain for the Chicoutimi workers a permanent industry which will not be a paper industry." He also said: "the government is determined to act in such a way that while the recovery of its claim is assured, the preferred shareholders obtain the fair treatment which they deserve in the reorganization it is desired to bring about."

Liquidating Debts

Since that time, the minister reports, Price Brothers & Co. had paid $33,000 on account of the power of the Quebec Pulp & Paper Corp. which it had used.

Furthermore under contract with the Aluminum Co., Mr. Hamel reported the Aluminum Co. had paid Quebec Pulp & Paper Corp. $571,000 for damages suffered, and some $300,000 to the government for loss to crown lands owing to the flooding of timberland.

As regards the freehold property of Quebec Pulp & Paper Corp., the government has purchased a lot, paying a higher price for them than offered by anyone else, with the intention of using them for colonization purposes.

Mr. Hamel reported the government had received offers to take over the mills, but had not wanted them to go to "big interests." He added the government was now in negotiation with Herve Baribeau.

Brewers & Distillers Feel Beer Shortage

In his address to the annual meeting of Brewers & Distillers of Vancouver, Ltd., President H. S. Tobin emphasized the serious shortage of beer caused by the retroactive quota applying as from Oct. 31, 1942.

A dividend of 50 cents and a bonus of 10 cents was approved, payable to shareholders of record April 19.

Directors were elected as follows: H. S. Tobin, A. P. Horne, E. E. Buckerfield, all of Vancouver; E. P. Andreae and Oliver Parker of London, England, and W. H. Furlong, K.C., Windsor, Ont.

Notwithstanding increased taxes, net profits of the company exceed those of the previous year by $44,387.

Col. Tobin pointed out that in the past year in which the company, exclusive of dividends from investments, showed a net profit of $323,032, the sum of $2.2 millions went directly to the government's treasury.

Osisko Lake Mines carried out "no serious development" in 1942. Balance sheet as at Dec. 31, 1942, shows $376 cash, 156,250 shares in Pelletier Lake Gold Mines, as against current liabilities of $3,087. Expenditures in 1942 totalled $630.

Aluminum Makes New Appointments

From Our Own Correspondent

Montreal. — The appointment of A. W. Whitaker and McNeely DuBose as vice-presidents of

A. W. Whitaker

the company has been announced by Aluminum Co. of Canada. Mr. Whitaker has been with the company since 1913 and in recent years has acted

McNeely DuBose

as general manager. Mr. DuBose is general superintendent of Saguenay Power Co. and manager of the power department of Aluminum Co. of Canada.

C. S. L. May Pay On Common

Common Dividend This Year Possible, Says W. H. Coverdale

From Our Own Correspondent

MONTREAL.—Dividends on the common stock may be initiated by Canada Steamship Lines before the end of this year, W. H. Coverdale, president, intimated at the annual meeting of the company's shareholders.

Denying rumors that the Tadoussac and Murray Bay hotels would not operate on a full-time basis this year, Mr. Coverdale said they would open as usual and the Montreal-to-Saguenay service would be maintained as usual.

Could Have Done Better

The past year was one of difficult operating conditions in the freight end of the business, with grain disregarded for bulk ore and canal boats operating light west bound in the coal trade. "If we had had unrestricted operation of our own fleet, the year's showing would have been substantially better, notwithstanding actual results obtained were the best in the company's history," he said.

Mr. Coverdale mentioned that six years ago, when the company was reorganized, the credit position was doubtful and the company had no earned surplus. In the interval it had built up quick assets in cash and investments totalling over $8 millions, that brought in over $2.6 millions on its first mortgage bonds and now has a surplus in excess of $3 millions. Meanwhile all the provisions of the reorganization plan had been complied with, he concluded.

Power Stations Set New Marks

Consumption and Output Create New Record During March

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada set several new records in March. Production amounted to 3,329 million kw.h., the largest for any single month in the history of the industry. At the same time a new mark was set for consumption of primary power at 2,969 million kw.h.

New Brunswick and British Columbia were the only two provinces to report decline in primary power consumption during March, as compared with returns a year ago. On a cumulative basis for the first three months of 1943, the same two provinces also reported a decline.

The consumption of primary power by provinces for March, and cumulative returns for the first three months of 1943, together with comparative figures for 1942, follow:

March
(Thousands of Kilowatt Hours)

	1943	1942
Prince Ed Island	802	756
Nova Scotia	47,850	42,556
New Brunswick	23,972	39,430
Quebec	1,441,842	1,241,839
Ontario	1,032,230	1,006,458
Manitoba	104,777	95,168
Saskatchewan	61,664	54,244
Alberta	45,111	35,794
British Columbia	210,683	224,385
Total	2,968,931	2,740,830

Three Months Ended March
(Thousands of Kilowatt Hours)

	1943	1942
Prince Ed. Island	2,096	2,617
Nova Scotia	136,659	129,868
New Brunswick	67,033	115,978
Quebec	4,084,096	3,585,773
Ontario	2,950,864	2,944,097
Manitoba	306,627	285,113
Saskatchewan	182,456	161,174
Alberta	133,481	108,442
British Columbia	627,741	644,405
Total	8,491,653	7,977,487

Bico Mines optioned 77,745 shares to W. J. Marshall on March 20 as follows: blocks of 10,000 shares each at 50, 55, 60 and 65 cents a share all payable by Dec. 1, 1943, with balance of 37,745 shares at 75 cents payable by March 31, 1944. Authorized capital is 100,000 shares of which 22,255 shares have been issued.

Consol. Paper Mills at 50%

Betterment Depends on Power, Shipping and Other Regulations

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp.'s newsprint mills operated at 50% of capacity in the first quarter of this year, as contrasted with 73% for the like period a year ago.

An improvement in operations is possible depending upon relaxation of the power control, shipping and other regulations, L. J. Belnap, president, informed shareholders at the annual general meeting.

Labor shortage, particularly in woods operations, is a continuing problem for all forest industries, said Mr. Belnap. He noticed that last month the ceiling price of newsprint was increased by $4 a ton, but this, he pointed out, only partly compensated for increased costs.

Reviewing last year's operations, Mr. Belnap stated the corporation's mills operated at 60% of the official rate of capacity compared with 70% in the preceding year. Output of other products continued at capacity.

Defer Plant Program

It has been necessary to defer the program inaugurated three years ago of improvement and modernization of the plant and equipment because of the shortage of labor, technical staff and strict limitation in the use of materials. It has also been necessary, Mr. Belnap went on to report, for the same reasons, to reduce maintenance to urgent requirements.

After the end of the war all this work, he added, will necessarily have to be accelerated to make up for the past deferment, the effects of which will be to provide more employment for those now employed in war industries and returned men.

The company's sawmill at Pembroke was destroyed by fire last year. At the request of the timber controller it was reconstructed and operated during the last half of 1942. During the coming season, Mr. Belnap said, it is expected the mill will operate at capacity.

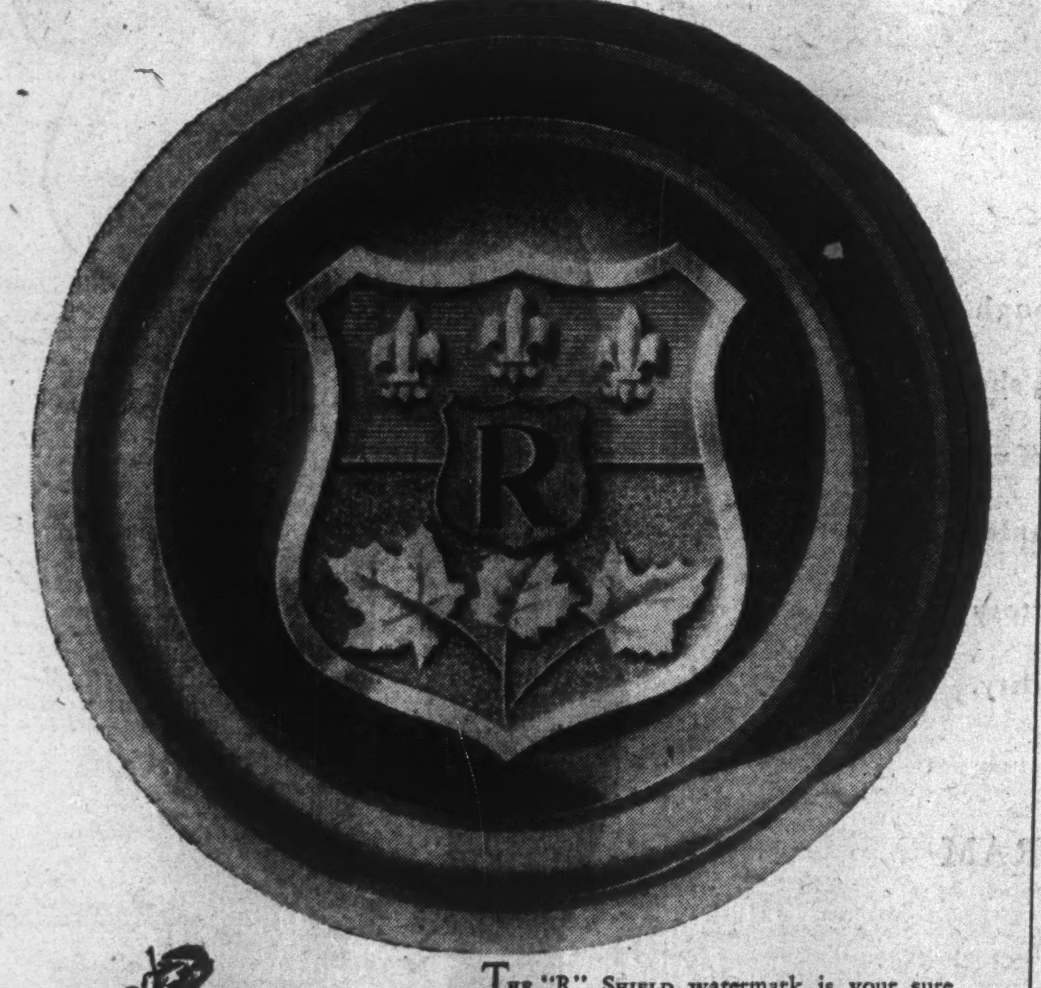
Montreal Power Offers To Extend Contract

Notwithstanding the default of the city in modernizing its street lighting system within the prescribed time, Montreal Light Heat & Power Cons. has made an unconditional written offer to the City of Montreal to put into effect on May 1 the rates for all services fixed by the Public Service Board. The company simultaneously applied to the Board to fix rates as from May 1 (and pending modernization) for that part of the street lighting system not covered by the order.

JOINS COMMODITY EXCHANGE

B. J. Smith, of Swift Canadian Co. Ltd., Montreal, has been elected a member of the Canadian Commodity Exchange Inc.

TRUE TO THE HIGHEST TRADITIONS OF FINE PAPERMAKING

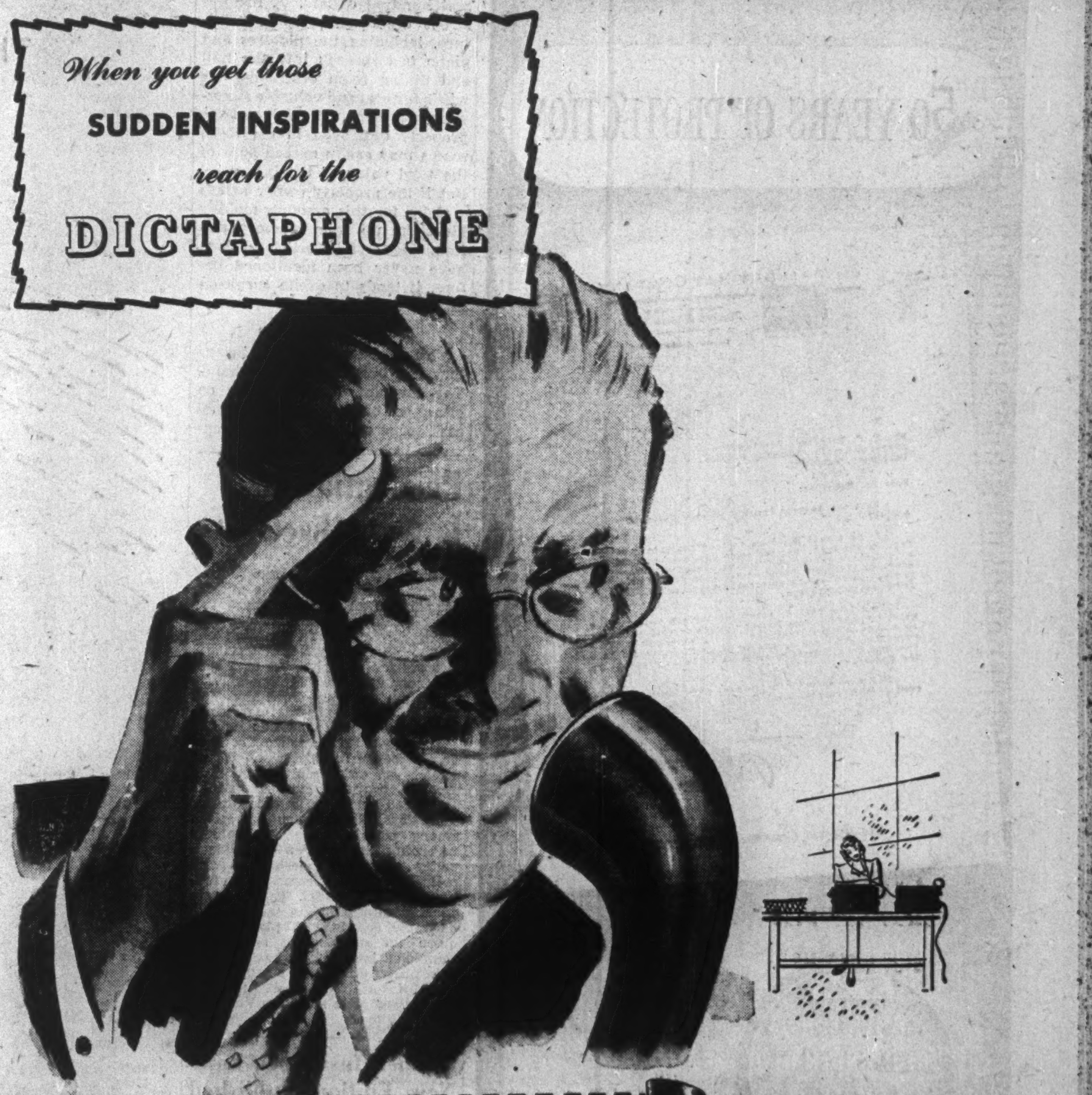


SUPERFINE LINEN RECORD
Canada's finest bond paper, owes its time-defying strength and beauty to its 100% new rag content. Yet it costs but a fraction of a cent more per letter than the cheapest bond. Your printer, lithographer or engraver will be pleased to produce your stationery on this superfine Rolland paper.

The "R" Shield watermark is your sure guide to business papers of established worth. Whatever the given task—a letterhead bearing your president's signature or a mimeographed office form—there is a member of the Rolland family of dependable papers worthy to perform it . . . and to bear this time-honoured trademark.

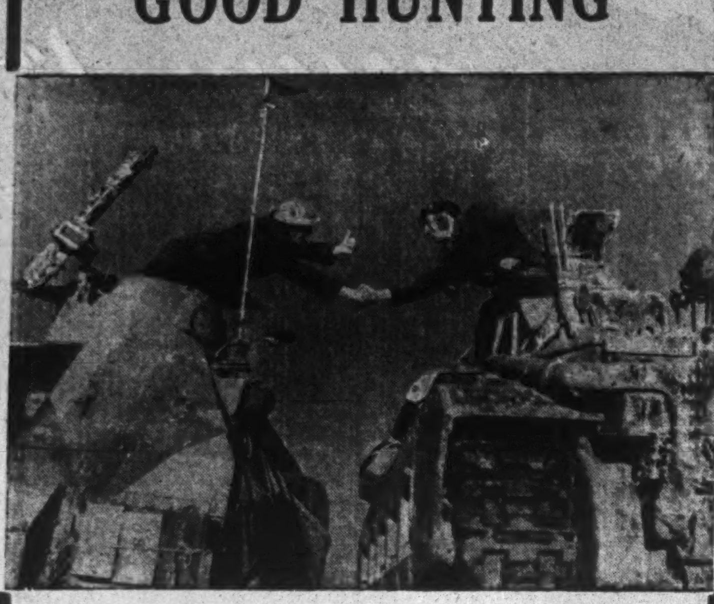
ROLLAND PAPER COMPANY LIMITED
High Grade Paper Makers since 1882
MONTREAL, QUE.

BRANCH OFFICE: TORONTO, ONT. • MILLS AT ST. JEROME, QUE. AND MONT ROLLAND, QUE.



DICTAPHONE
Dictaphone Corporation Ltd., 86 Richmond St., W., Toronto.
Please send me free copy of "Business Expects Every Man To Do His Duty."
Name
Company
Address
The word DICTAPHONE is the Registered Trade-Mark of Dictaphone Corporation, Makers of Dictating Machines and Accessories to which said Trade-Mark is Applied.

"GOOD HUNTING"



Back up the men who do the fighting with your purchases of

VICTORY BONDS

PEARL

ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND

Automobile and General Casualty Insurance

SECURITY

Fire and Allied Lines Written in Associated Companies

Lumbermens

MUTUAL CASUALTY COMPANY

Agency Inquiries Invited

"THE SAFETY-MINDED COMPANY"

K. M. Sabiston has been appointed assistant general manager of the Canadian Surety Co. Mr. Sabiston was formerly fire manager for the company. He was born in Montreal; served overseas in the last war and later graduated from the Armour Insurance Institute of Technology. He joined the Canadian Surety in 1929.

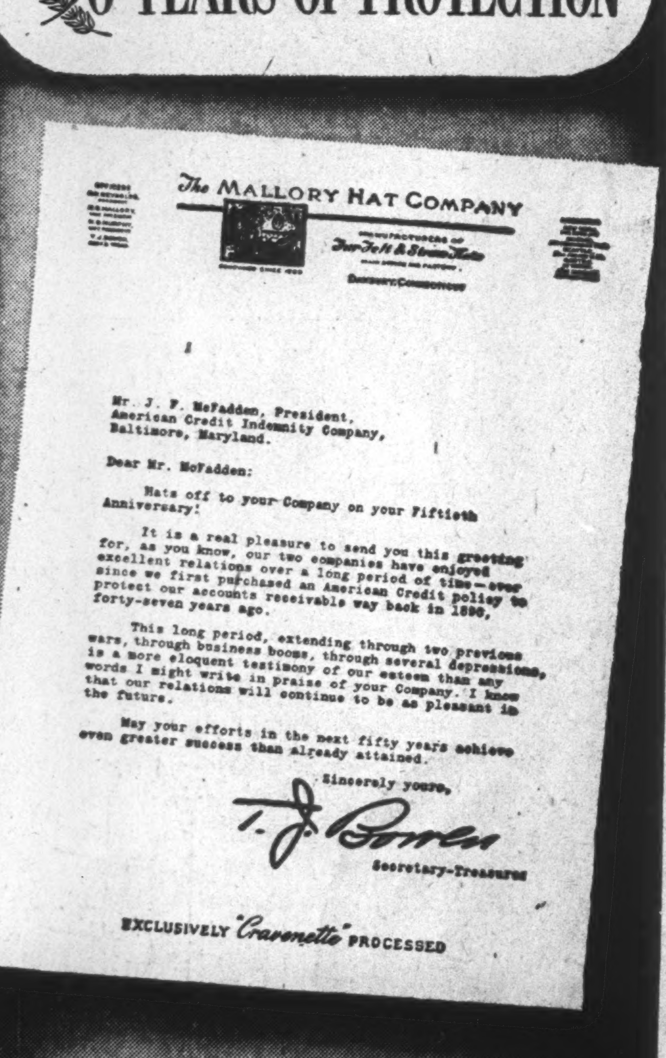
MORDEN, HELWIG & FERRIE LIMITED

Insurance Adjusters

Automobile, Casualty, Fire and Allied Lines, Inland Marine

HAMILTON, LONDON, WINDSOR, KITCHENER, ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

50 YEARS OF PROTECTION



The MALLORY HAT COMPANY

Manufacturers of Fur Felt & Straw Hats

Mr. J. F. McFadden, President,
American Credit Indemnity Company,
Baltimore, Maryland.

Dear Mr. McFadden:

Hats off to your Company on your Fiftieth Anniversary!

It is a real pleasure to send you this greeting for, as you know, our two companies have enjoyed excellent relations over a long period of time—ever since we first purchased an American Credit policy to protect our accounts receivable way back in 1896, forty-seven years ago.

This long period, extending through two previous wars, through business booms, through several depressions, is a more eloquent testimony of our esteem than any words I might write in praise of your Company. I know that our relations will continue to be as pleasant in the future.

May your efforts in the next fifty years achieve even greater success than already attained.

Sincerely yours,

T. J. Bowles

Secretary-Treasurer

EXCLUSIVELY "Cravenette" PROCESSED

50th Year

AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK

1893 1943

J. F. McFadden, President

CANADIAN DIVISION

"Guarantees Payment of Your Accounts Receivable"

Is Your Fire Insurance Protection Up-to-Date?

Higher Replacement Costs and Difficulty in Obtaining Materials Seen as Increasing Need For Reviewing Insurance Position

Wartime price levels and wartime conditions generally are causing many Canadians to reexamine their fire insurance position.

Higher replacement costs, scarcity of labor and difficulty in obtaining certain types of goods and materials are all factors to be considered. They raise two questions for the average property-owner: Has he enough insurance? Has he the right kind of insurance?

Even a small fire might have serious effects not only through the actual destruction of property but through the inconvenience and the delay in resuming normal operations.

Property values are estimated to have increased 25% to 30% in the last two years. Consequently more insurance would be required now to indemnify the owner if he had a fire.

Owner of Private Dwelling

Take the case of the owner of a private dwelling. Houses worth $4,500 some years ago could probably not be bought now for less than $6,000. Rebuilding might be impossible, depending on availability of men and materials. As regards furniture and general housefurnishings, replacement might be equally difficult or expensive. Insurance will not necessarily replace property destroyed, but it gives the owner financial resources to find substitutes of one kind or another.

One method companies suggest for the householder to determine whether he is adequately insured or not, is to make an inventory of the property in each room. This procedure in any event avoids many a headache when a fire occurs as it prevents misunderstanding and suspicion when the claim is being paid.

Can't Remember Everything

Without such an inventory few householders can name the articles in a certain room. Many are surprised at their own wealth when they enumerate all the items and put down the replacement value opposite them. Take a case in point. Suppose a man has an eight roomed house. He insures the contents for $2,500. His wife has a grand piano, worth from $750 to $1,000. They also have some paintings worth several hundred dollars. A fire destroys the drawing room furniture, including the pictures and piano and spreads into the hall and dining room destroying his wife's fur coat and valuable silverware and china. The value of the property destroyed in the three rooms may easily exceed 50% of the total value of the insurance. But if the property-owner makes a claim for this amount, making his claim up from memory, and itemizing certain articles which have never been mentioned before, it tends to excite suspicion in the mind of the underwriter.

If Inventory Taken

This can be avoided if an inventory has been made beforehand. The inventory can be taken on either one of two bases: the actual cash value at the time the inventory is made out, or the cost at time of purchase.

It may be that certain risks are not covered by the policy. For instance if an oil burner smokes and causes damage by smudge it probably would not be covered unless endorsement had been added to the policy.

If the house-owner rents the house to someone else a fire would put an end to his revenue from this source unless he carried rent insurance.

Business Property

Then take the case of the business property owner. Apart from the increased price of buildings and contents, there would be the loss of profits which the owner would normally expect to make on his property. The ordinary fire policy would help to finance the rebuilding or replacement of the goods or at least to indemnify the owner for the loss entailed. But it would not reimburse him for the profits he would have made had he been operating steadily. Moreover certain expenses will continue, taxes must be paid, charges such as mortgage interest have to be met. Frequently, keymen have to be kept on salary so they will not be lost.

Use and Occupancy Cover

This is where a use and occupancy endorsement to the regular fire insurance policy would come in.

It would take care of reasonable expenses and reimburse the policyholder for the profits he would normally have made. This additional protection may be obtained by an endorsement on the ordinary fire insurance policy.

Many insurance agents are urging their clients to revise their whole insurance arrangements to bring them up to date with the changed conditions.

Prudential Ins. Is Mutualized

The Prudential Insurance Co. of America, which has been a mutual company in effect for 30 years was recently formally mutualized. Following passage of an enabling bill by the New Jersey Legislature, the trustees for policyholders at a special meeting of the directors delivered to the company stock that had been in their possession for years and it was cancelled immediately.

The move to mutualize the Prudential began in 1911, when it had already, an outstanding position in the life insurance business and its assets had reached a large figure for those days. Disagreement had arisen among certain large stockholders regarding the company's dividend policy affecting shareholders and policyholders, and some other features of management. The directors decided mutualization would be a desirable solution. A plan to acquire the outstanding stock was completed late in 1942, having been held up by difficulty in getting one block of stock. This cleared the way for the complete mutualization now accomplished.

Quebec Insurance Laws New Edition Published

Following the recent revision of the statutes of Quebec province the first up-to-date edition of the insurance laws of the province in almost 20 years has been printed and is now available for distribution. The publication is bilingual and includes the text of the following laws: Trust Companies Act; Insurance Act; Husbands' and Parents' Life Insurance Act and other related acts. It also contains a complete index of these various laws. The price is $2.50 bound, and $1.50 stitched, plus 4 cents retail sales tax for residents of Quebec. Copies can be had by application to the Department of Insurance, Government House, Quebec.

POWER FOR Victory Production

CONCRETE Helps Harness Mighty Waters

The recently completed and widely publicized development at Shipshaw and Passe Dangereuse in the Lake St. John District of Quebec, providing additional power for expanding war needs, again emphasizes the value of concrete as a construction material. Without it, indeed, undertakings on such a scale in remote places, would be virtually impossible. Write us for full information on the many construction applications of this permanent, modern material.

CANADA CEMENT COMPANY LIMITED

Office — 803 Northern Ontario Building — Toronto

Royal-Liverpool Groups Combine Management

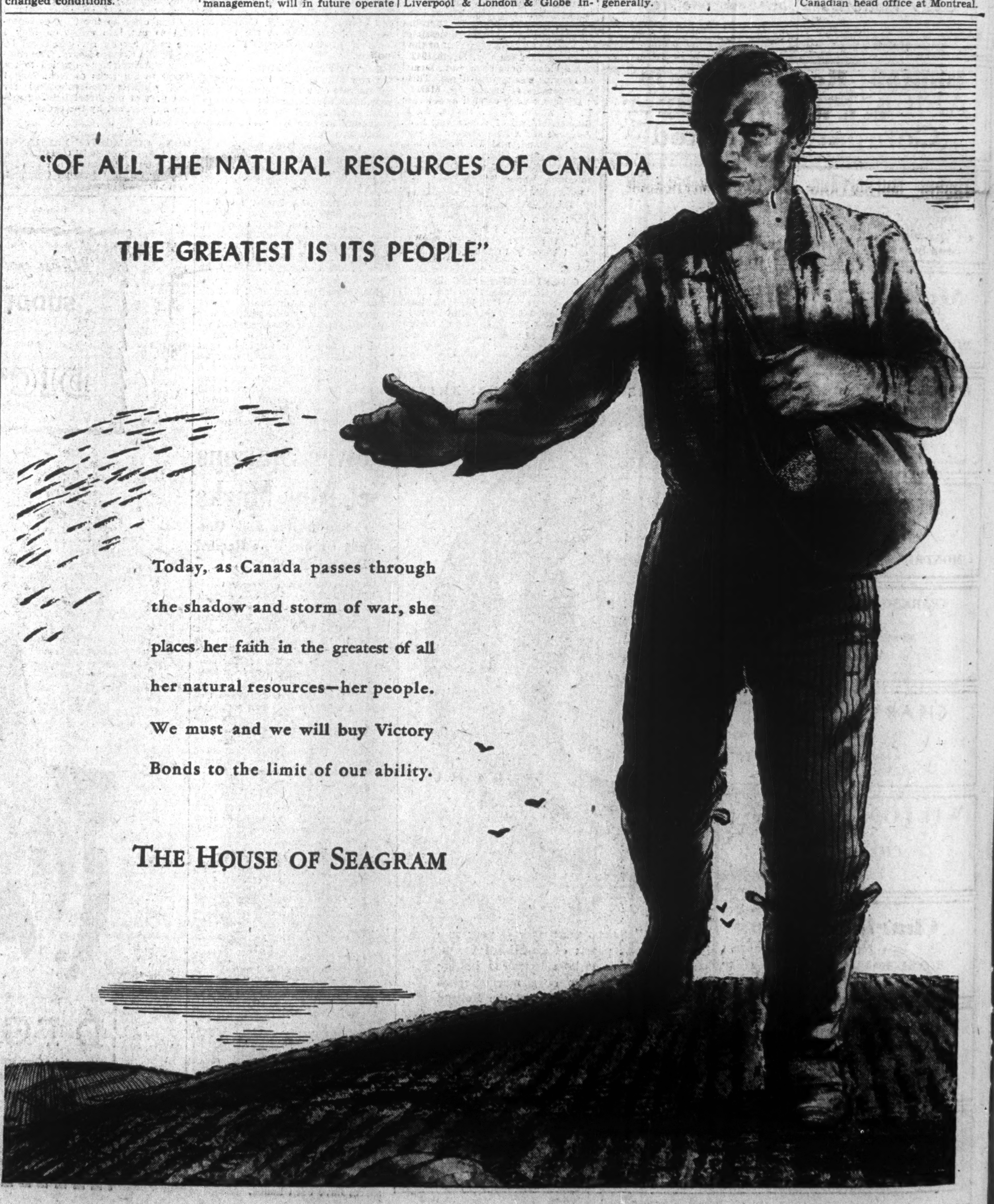
Toronto offices of the Royal Insurance Co. and the Liverpool & London & Globe Insurance Co., which have been under separate management, will in future operate as the Royal-Liverpool Insurance groups under the management of F. S. McDermott. Mr. McDermott has been manager in Toronto of the Liverpool & London & Globe Insurance Co.

F. L. Flight, who has been Toronto manager of the Royal group, has been transferred to Montreal as secretary. He will be required for duties arising out of postwar reconstruction, public relations and other problems affecting the groups in relation to the insurance business generally.

Mr. McDermott will be assisted by A. F. Glover, B. A. Carey, H. H. Cornell and F. O. Reddrop as assistant managers of the Royal-Liverpool groups in Toronto. The changes in management were effective as of May 1.

James Matson is general manager for the groups for Canada with Canadian head office at Montreal.

"OF ALL THE NATURAL RESOURCES OF CANADA THE GREATEST IS ITS PEOPLE"



Today, as Canada passes through the shadow and storm of war, she places her faith in the greatest of all her natural resources—her people. We must and we will buy Victory Bonds to the limit of our ability.

THE HOUSE OF SEAGRAM

★ W. H. BOSLEY & CO.
REAL ESTATE BROKERS
★ PROPERTIES: SOLD • RENTED • MANAGED AND APPRAISED • INSURANCE
WAVERLEY 1031
28 ADELAIDE ST. W., TORONTO

United States Fidelity & Guaranty Company
TORONTO

The Wawanesa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets .. $3,819,972.11
Surplus 2,014,637.07
Dom. Govt. Deposit 1,939,324.33
— Write for Financial Statement —
Free on Request. Our Second Booklet
"Farming Holds the Key"
Head Office, WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg and Montreal.
2,000 Agents Across Canada.

T. L. Hamilton, oldest representative of the North American Life Assurance Co. in point of service, recently celebrated his 56th anniversary with the company. He signed his first contract at Listowel, Ont., and now represents the London, Ont., branch.

PROFESSIONAL DIRECTORY

McLAUGHLIN, JOHNSTON, MOORHEAD & MACAULAY
Barristers, Solicitors, Notaries
802 BAY ST., TORONTO
Telephone ELgin 4217
L. Macaulay, K.C., M.P.P.
H. J. McLaughlin, K.C.
W. W. McLaughlin, K.C.
D. C. Wells — R. P. May
H. W. Alles — R. H. Soward
L. B. Webster — J. M. Magwood

FENNELL, PORTER & DAVIS
ROBERT FENNELL, K.C. DANA H. PORTER BRUCE P. DAVIS
BARRISTERS, SOLICITORS
Telephones ADelaide 7382-7383-7384
CABLE ADDRESS, "THIMSON." TORONTO, CANADA

CONSULTING ENGINEERS

THE GENERAL ENGINEERING COMPANY
(CANADA) LIMITED
ENGINEERING CONSTRUCTION
OPERATION OF INDUSTRIAL PLANTS
100 Adelaide St. West WA. 8605 Toronto

CHARTERED ACCOUNTANTS

T. P. GEGGIE
CHARTERED ACCOUNTANT
PHONE ELGIN 8557
TORONTO, CANADA
330 Bay St.

Ronald, Griggs & Co.
Chartered Accountants
WINNIPEG
SASKATOON

MASECAR, DeROCHE & McMILLAN
Chartered Accountants
SASKATOON SASK.

DEPENDABILITY
Its ability to get the news and interpret it accurately is what leads wise investors in Canadian securities to rely each week on
THE FINANCIAL POST
$5 One Year — $2.50 Half Year

Dunton, Ross & Frewin
Chartered Accountants
D. L. Ross & Co.
Licensed Trustees — Liquidators — Receivers
TORONTO MONTREAL MONCTON

THORNE, MULHOLLAND, HOWSON & McPHERSON
CHARTERED ACCOUNTANTS
E. J. HOWSON
R. S. McPHERSON
Licensed Trustees
FEDERAL BUILDING
TORONTO
GALT
KITCHENER

McDonald, Currie & Co.
Chartered Accountants
MONTREAL TORONTO QUEBEC OTTAWA

RUTHERFORD WILLIAMSON & CO.
Chartered Accountants
Rutherford Williamson, F.C.A. Harold A. Shiach, F.C.A.
D. J. Sales, C.A. W. F. Gibson, C.A. R. J. Middleton, C.A.
TORONTO—MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

RITCHIE, BROWN & CO.
Chartered Accountants
MONTREAL TORONTO VANCOUVER

CLARKSON, GORDON, DILWORTH & NASH
CHARTERED ACCOUNTANTS
15 Wellington Street West, Toronto
Toronto—Montreal—Hamilton—Winnipeg—Vancouver
E. R. C. CLARKSON & SONS
Licensed Trustees and Receivers
15 Wellington Street West, Toronto

CHARTRE, SAMSON & CO.
Chartered Accountants,
Licensed Trustees & Receivers
MONTREAL QUEBEC ROUYN

WILTON C. EDDIS & SONS
Established 1895
CHARTERED ACCOUNTANTS
Federal Building, Toronto

Charles T. Sears & Co.
Chartered Accountants
ROYAL BANK BUILDING, LONDON, ONTARIO
CHARLES T. SEARS, C.A. H. H. GRAHAM, C.A. P. E. MOLLOY, C.A.

MILLAR, MACDONALD & CO.
Chartered Accountants
WINNIPEG, MANITOBA

ROBERTSON, ROBINSON, McCANNELL & DICK
Chartered Accountants
D. H. McCANNELL — Licensed Trustee in Bankruptcy
Sterling Tower, Toronto

Bank Deposits Highest Ever

Savings and Demand Accounts Up—Loans Recede Further

New high levels for savings and demand deposits in Canada are shown by the chartered banks in their return to the Minister of Finance as at March 31. Savings deposits at $1.9 billions exceeded the previous high record established one month before by $94 millions, while demand deposits at over $1.6 billions were $50 millions above the previous record and $146 millions higher than at the end of February. Total public deposits in Canada were $3.5 billions which was $240 millions above the preceding month and $855 millions higher than a year ago.

Government Accounts

Deposits of the Dominion Government were $25 millions higher than at the end of the previous month but down $387 millions from last year. The rise during the month was probably due to the sale of deposit certificates by the Dominion Government to the banks. Deposits of the provincial government were higher for both the month and the year.

Loans of the banks continue to decline due mainly to shrinkage in commercial and call loans. The demand of business for bank credit has been steadily falling for months past as industrial operations are financed more and more by the government and inventories of merchandise are reduced. A large number of wheat loans are being paid off, it is understood.

Stock Market Buying

Call loans in Canada are lower, despite the greater stock market activity during the month. This is explained by much of the current buying of stocks being on a cash basis rather than on margin.

An increase of $308 millions in total investments of the banks during the month was entirely in short-term securities, no doubt largely deposit certificates of a six months maturity. Long-term investments of the banks actually were substantially lower for both the month and the year.

(In Millions of Dollars)

	March 1943	February 1943	Change	March 1942	Change
Loans	1,026.6	1,073.2	—46.6	1,333.9	—307.3
Investment	2,688.6	2,380.1	+308.5	1,880.6	+808.0
Total	3,715.2	3,453.8	+261.9	3,214.5	+500.7
Deposits	3,548.5	3,307.8	+240.7	2,693.6	+854.9
Credit index*	27.0%	30.4%	—3.4%	46.2%	—19.2%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	March 1943 $	February 1943 $	Change $	March 1942 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,769,931	6,134,671	+635,260	7,197,659	—427,728
Bk. of Can. notes	108,713,169	91,958,634	+16,754,535	99,147,480	+9,565,689
Bk. of Can. depos.	260,982,926	258,370,626	+2,612,300	241,878,585	+19,104,341
Bank's cash	376,466,026	356,463,931	+20,002,095	348,223,724	+28,242,302
Other banks' notes	1,150,939	1,376,152	—225,213	2,541,510	—1,390,571
Gold, sub. coin abo.	2,644,673	2,851,501	—206,828	2,649,424	—4,751
Foreign banks	203,614,103	218,951,626	—15,337,523	170,590,448	+33,023,655
Foreign currency	47,985,623	48,893,737	—908,114	33,002,162	+14,983,461
Gov. sec. sht. term	1,656,815,805	1,300,985,138	+355,828,667	724,098,457	+932,715,348
Do., long term	714,529,492	779,319,602	—64,790,110	919,528,548	—204,999,056
Call loans abroad	81,012,700	86,435,173	—5,422,473	49,596,654	+31,416,046
	3,084,217,361	2,795,276,860	+288,940,501	2,250,230,927	+833,986,434
Loans and Other Securities Other Than Those of Canadian Government					
Municipal secs.	67,152,621	66,070,568	+1,082,053	79,018,907	—11,866,286
Public secs.‡	164,812,100	153,307,842	+11,504,258	74,839,075	+89,973,025
Other secs.	85,254,427	80,390,795	+4,863,632	83,034,320	+2,220,107
Can. call loans	23,676,789	29,129,509	—5,452,720	33,548,157	—9,871,368
Current loans	936,142,073	978,807,622	—42,665,549	1,212,990,336	—276,848,263
Loans abroad	111,598,943	104,949,956	+6,648,987	141,182,155	—29,583,212
Prov. loans	4,691,835	4,291,730	+400,105	10,265,571	—5,573,736
Mun. loans	62,140,863	60,967,034	+1,173,829	77,134,993	—14,994,130
	1,455,469,651	1,477,915,056	—22,445,405	1,712,013,514	—256,543,863
Other Assets					
Non-current loans	3,063,879	3,274,340	—210,461	4,554,030	—1,490,151
Real estate	5,304,836	5,399,214	—94,378	6,344,696	—1,039,860
Mortgages	3,314,256	3,323,716	—14,460	3,388,181	—73,925
Premises	67,448,771	67,713,670	—264,899	69,438,952	—1,990,181
Letters of credit	108,667,879	112,762,109	—4,094,230	128,396,521	—19,728,642
Loans to comp.	11,121,773	11,193,704	—71,931	11,044,193	+77,580
Other assets	2,490,381	2,525,345	—34,964	2,248,139	+242,242
	201,411,775	206,197,098	—4,785,323	225,414,712	—24,002,937
Total	4,741,098,787	4,479,389,014	+261,709,773	4,187,659,153	+553,439,634
Note circ. dep.	4,033,353	4,030,152	+3,201	4,498,517	—465,164
Int. bank bal.	168,415,061	154,136,106	+14,278,955	159,614,312	+8,800,749
Gross	4,913,547,201	4,637,555,272	+275,991,929	4,351,771,982	+561,775,219
LIABILITIES					
To the Public					
Circulation	54,965,149	57,826,314	—2,861,165	73,633,907	—18,668,758
Dom. Govt.	168,521,726	143,000,657	+25,521,069	555,946,417	—387,424,691
Prov. Govt.	99,083,806	82,565,462	+16,518,344	55,377,724	+43,706,082
Deposits by Public					
Demand dep.	1,658,976,273	1,512,296,223	+146,680,050	1,143,939,017	+515,037,256
Savings dep.	1,889,542,539	1,795,469,353	+94,073,186	1,549,628,551	+339,913,988
Total	3,548,518,812	3,307,765,576	+240,753,236	2,693,567,568	+854,951,244
Foreign dep.	550,141,279	550,043,510	+97,769	473,466,585	+76,674,694
Due to Banks Abroad					
United Kingdom	*31,125,756	34,148,310	—3,022,554	21,250,994	+9,874,762
Foreign	30,732,283	32,278,200	—1,545,917	33,480,542	—2,748,259
Bills payable	....	....	....	26,432	—26,432
Letters of credit	108,667,879	112,762,109	—4,094,230	128,396,521	—19,728,642
Other liabs.	4,409,393	6,884,464	—2,475,071	6,880,866	—2,471,473
Total pub. liabs.	4,596,166,083	4,327,274,602	+268,891,481	4,042,027,557	+554,138,526
Due Bet. banks	15,256,326	11,138,438	+4,117,888	10,379,348	+4,876,978
Liability to Shareholders					
Dividends	1,197,888	1,799,140	—601,252	1,499,904	—302,016
Reserve	136,750,000	136,750,000	....	134,750,000	+2,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	4,894,870,297	4,622,462,180	+272,408,117	4,334,156,809	+506,713,488

‡Other than Canadian.

Decline Shown In Bank Debits

Large Payments on Second Victory Loan Affect Comparisons

The amount of cheques cashed in Canada in March at slightly over $4 billions was about 4% lower than in the same month of 1942. Recession was attributed to the offering of the second Victory loan in March, 1942, which caused payment of large amounts of money by cheque. This factor was not operating in March this year to swell the volume of bank debits. Consequently declines were seen in each of the five economic areas, except the Prairies, which rose 11.2%. Declines in the other areas were: Maritimes, 3.4%; Quebec, 1.6%; Ontario, 9%; British Columbia, almost 3%.

Bank debits for the first quarter of 1943 at $11.6 billions were 12.8% higher than in the first quarter of 1942. Increases were shown in all five economic areas as follows: Maritimes, 1%; Quebec, 19%; Ontario, 11.4%; Prairies, 10.7%; British Columbia, 7%.

Debits to Individual Accounts
(Millions of $)

	1942 Mar.	1942 Feb.	1942 Mar.
Maritimes:			
Halifax	61.8	42.4	60.6
Moncton	15.4	12.7	14.8
Saint John	24.8	22.6	30.1
Total	102.0	77.7	105.5
Quebec:			
Montreal	1,008.8	981.1	997.6
Quebec	95.0	183.7	123.7
Sherbrooke	10.0	9.1	10.6
Total	1,113.8	1,173.9	1,131.9
Ontario:			
Brantford	18.1	15.8	20.0
Chatham	11.2	10.6	11.3
Fort William	9.1	8.1	11.7
Hamilton	92.3	102.0	118.5
Kingston	11.4	12.1	12.6
Kitchener	19.4	17.3	32.9
London	44.2	37.8	52.0
Ottawa	629.4	484.4	593.1
Peterborough	11.4	10.2	9.5
St. Catharines	20.1	17.9	20.9
Sarnia	12.0	10.1	9.8
Sudbury	7.6	6.7	8.8
Toronto	995.0	946.6	1,167.1
Windsor	77.8	72.0	86.0
Total	1,959.1	1,751.6	2,154.2
Prairies:			
Brandon	5.5	4.6	5.2
Calgary	75.4	67.4	86.8
Edmonton	77.6	62.2	60.2
Lethbridge	7.0	5.7	5.7
Medicine Hat	3.8	3.4	3.6
Moose Jawe	11.0	8.5	8.5
Prince Albert	4.5	3.7	4.8
Regina	40.7	40.6	41.4
Saskatoon	14.3	12.6	13.9
Winnipeg	348.8	277.7	299.3
Total	588.6	486.4	529.4
British Columbia:			
New W'minster	12.5	9.7	11.3
Vancouver	198.5	179.8	211.2
Victoria	37.3	32.7	33.2
Total	248.3	222.2	255.7
Total, Canada	4,011.8	3,711.8	4,176.7

Bank Chat

Interest on Savings

Although United States banks have been steadily reducing the rate of interest they pay on savings deposits, there appears to be no likelihood of Canadian banks taking similar action.

A majority of the United States banks at the beginning of 1943 were paying a maximum rate of 1% compared with 2% which had prevailed from 1935 to 1941. A number of United States bankers believe rates will go still lower.

The Canadian banks have been paying 1½% interest on savings deposits now, for several years, the rate on commercial funds being ½ of 1%.

These rates were reached by successive reductions from the 3% per annum paid some years ago. Interest was then computed on the minimum monthly balance. On Mar. 1, 1933, it was reduced to 2½%; on Nov. 1, 1934, to 2%; on June 1, 1936, to 1½%, still on a minimum monthly balance. On Mar. 1, 1939, it was announced that the 1½% rate would be retained on personal accounts, but that it would be computed on the minimum quarterly balance, while the rate on commercial funds in savings accounts was placed at ½ of 1%, also on the minimum quarterly balance.

Bank of Canada Assets Higher

Note Circulation and Dominion Government Deposits Also Rise

Further increase in assets to $1,114 millions is shown in the statement of the Bank of Canada for the week ended April 28. The increase was mainly in short-term investments.

On the liability side, note circulation and Dominion Government deposits were higher and the increase in investments, probably reflected expansion of reserves against these.

	Apr. 28 1943 $	Apr. 21 1943 $
Liabilities:		
Capital paid up	5,000,000	5,000,000
Notes in circ.	743,319,184	736,092,462
Rest fund	6,472,953	6,472,953
Deposits: Dom.	59,494,456	45,526,143
Banks	259,485,208	269,517,327
Other	31,002,813	32,092,806
Total deposits	349,982,477	347,136,275
All other	9,800,469	8,922,096
Total liabs.	1,114,575,083	1,103,623,786
Assets:		
In Sterling & U.S.	2,361,632	136,632
Subsid. coin	135,651	132,832
Investments:		
Dom. gov. sh.	823,191,385	817,171,222
Other Dom. gov.	275,989,933	275,188,269
Total invest.	1,099,181,318	1,092,359,4991
Premises	2,100,105	2,105,218
All other assets	10,796,377	8,889,613
Total assets	1,114,575,083	1,103,623,786

Weekly Bank Clearings

	Apr. 29 1943 $	Change Year Ago %	Apr. 22 1943 $
Halifax	3,342,953	—1.0	3,942,150
Saint John	2,572,112	+10.5	2,850,098
Moncton	1,244,252	+5.4	1,207,165
Sherbrooke	766,270	—18.5	1,171,218
Quebec	4,224,424	—13.8	5,361,573
Montreal	98,520,153	—13.7	160,216,527
Ottawa	54,558,199	—4.6	63,422,550
Kingston	702,389	+12.1	883,189
Peterborough	788,566	+11.7	1,043,037
Toronto	126,192,611	—20.8	177,663,270
Hamilton	7,020,385	+1.1	9,026,474
St. Catharines	1,698,390	+21.1	1,298,049
Kitchener	1,206,158	—14.4	1,356,990
Brantford	1,076,049	+4.5	1,259,157
London	2,555,550	+3.1	3,154,607
Chatham	606,322	—1.3	730,188
Windsor	4,718,799	+27.5	4,564,530
Sarnia	637,721	+56.9	857,465
Sudbury	1,050,575	—10.1	1,157,963
Fort William	585,022	+0.2	1,102,785
Winnipeg	51,055,590	+3.3	77,380,307
Brandon	489,783	+18.1	537,775
Regina	4,928,413	+26.9	5,421,785
Moose Jaw	723,330	+32.6	986,574
Saskatoon	1,646,211	+15.4	1,951,312
Prince Albert	509,091	+29.8	611,727
Edmonton	7,873,892	+31.4	10,232,809
Calgary	6,745,030	—0.4	7,224,851
Lethbridge	701,060	—18.0	853,093
Medicine Hat	390,828	+19.1	498,228
N. W'minster	754,146	—14.6	851,149
Vancouver	23,525,262	+5.0	31,061,442
Victoria	1,788,475	—1.0	2,129,238

Back the Attack
and
Insure Freedom
BUY VICTORY BONDS
EAGLE STAR
INSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
Head Office for Canada: TORONTO
Branch Offices: Winnipeg, Vancouver

Staff Changes

The Bank of Nova Scotia announces the following staff changes:

R. C. CLARK to be manager, Coburg & Robie, Halifax, N.S.

A. R. RENDELL to be manager, Woodstock, N.B.

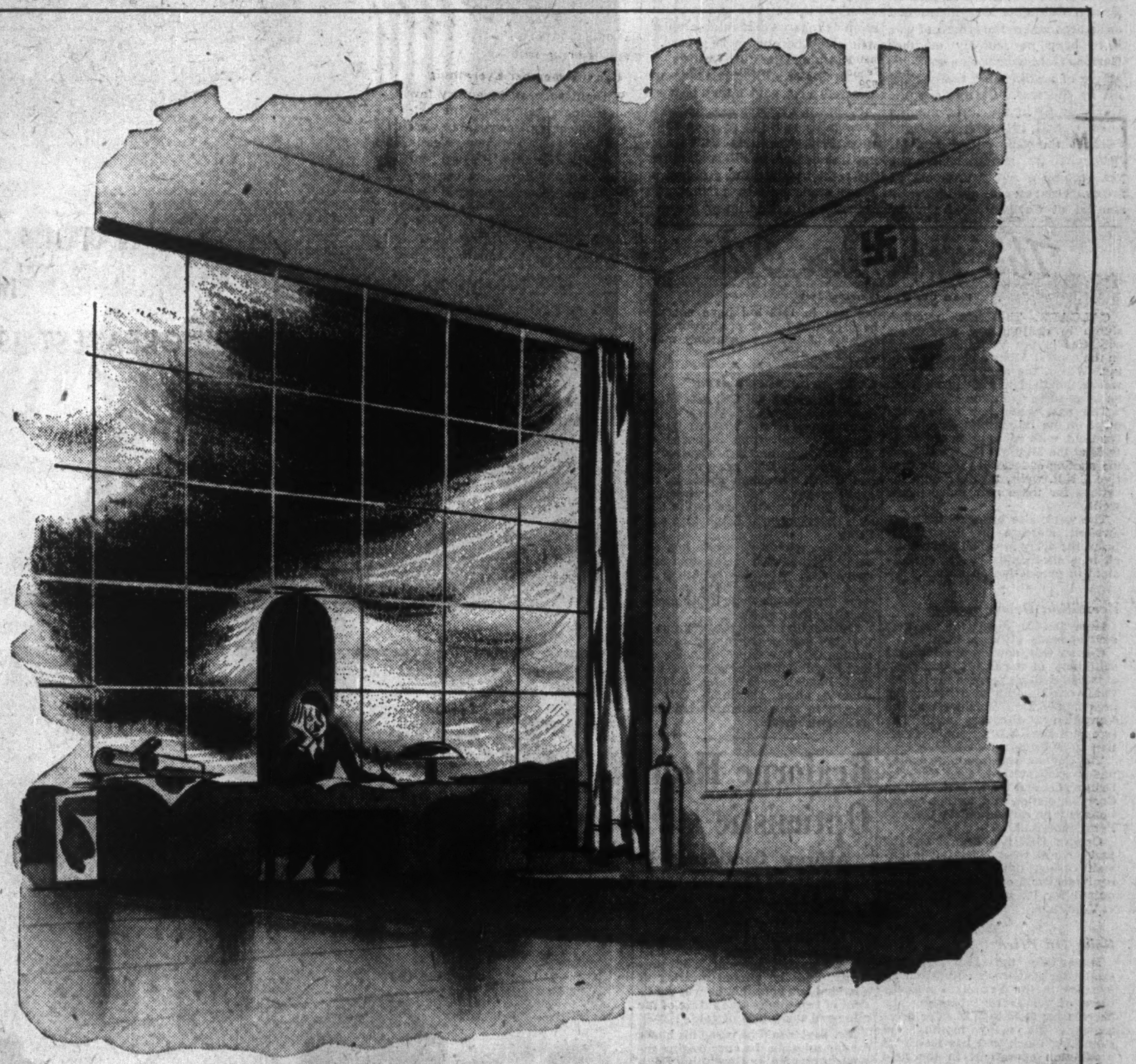
T. H. MILLER to be asst. manager, New Glasgow, N.S.

The Bank of Nova Scotia announces the following staff changes:

N. R. CAMPBELL to be assistant manager Edmonton.

C. C. AINSLIE to be accountant, Edmonton.

J. A. LIKELY to be accountant, Newcastle, N.B.



HITLER'S LAST HOPE

HITLER still has one hope left.

He knows now that *he* can't win this war, but he is gambling that *we* won't be able to win it either. He's hoping we will tire under the crushing cost of total war and fail to see it through to the bitter end. He knows, if this happens, that he will be the real victor—that the way will be open for his armies and airmen to fight again another day.

That is why this Fourth Victory Loan must not fail.

It is the test of our determination, as a free people, to out-work, out-fight and outlast Axis slaves. The road has been long, the load has grown heavier. The purchase of more bonds will mean giving up still more—even life's very necessities.

It is the only way to make sure the coming offensive will end, not in the half-victory which Hitler would now gladly settle for, but in total victory for us. *This alone will have made the war worth fighting. This alone will make life worth living for ourselves and our children.*

Back the Attack — BUY MORE VICTORY BONDS

CRANE
AND ITS SUBSIDIARIES

Close Mill to Protect Mine?

Break-even Point Can Make Shutdown Appear Beneficial

By GORDON M. GRANT

A mine not producing can be worth more to its shareholders than one which is operating at the expense of its best ore and at a high cost which soaks up all profits. In the past few months rising costs and labor shortages have put some mines into the position where a shutdown would actually increase the net profits which shareholders can expect from the ore bodies which their mine has developed.

Which is worth more—an ounce of gold in the ground or an ounce recovered?

Probably any school child will tell you that gold in the hand is worth more, but two mining men—an engineer and a gold mining executive—sat down to lunch in a Toronto restaurant last week and came up with a new answer.

They decided that from a strictly business standpoint, many gold mines would be worth more closed down than operating, that gold could be worth more in the ground than recovered. They even thought that if certain mines are forced to close down by war conditions, their stocks would be worth more than at present!

"Breaking Even" Is Serious

The reasoning behind their conclusion is simple.

It was pointed out that wartime difficulties have taken away a large part of the profits of gold mining generally and have, in fact, removed almost all of it for certain individual mines.

For mines approaching the break-even point, the prospect of just "trading dollars" is a serious thing; it means the prospect of using up valuable—and limited—ore resources at no profit. When operations reach this impasse, then our engineer and mining executive considered a non-operating mine could be worth more than an operating one. (Heavy shutdown expenses might make it imperative for certain individual properties to continue producing even with no profit realized, however, it was admitted.)

Trouble Still Spreading

Many gold mines—particularly the smaller ones—may face the no profit issue shortly if conditions aren't alleviated, it was suggested. British Columbia was mentioned as an area where the effects of war have been particularly evident; Cariboo Gold Quartz as a good example of a gold mine really hard hit by the war. Cariboo's profit was only $8 in the three months ended Oct. 31, 1942, compared with $492,565 the year ended Jan. 31, 1940, when war conditions had not yet become a really unfavorable factor. Ore reserves are still substantial at Cariboo Gold Quartz but they can't be treated profitably.

Here are the main factors which have been working to make gold mines' profits vanish:

1. Acute labor shortage.
2. Supply difficulties.
3. Freezing of milling rates.
4. Heavier taxation.

Labor Situation Precarious

No alleviation of the gold mining labor situation appears in prospect just now.

A considerable proportion of Canada's base metal mines are still short of labor and gold mines won't be allowed to hire until these are satisfied. Gold mines have been losing labor steadily for months, perhaps face a still more severe loss.

Farmers working at gold mines for the winter are returning to the land. Many gold miners are still eligible for call-up. Since the base metal mines are losing their farm labor for the summer, the prospect of gold mines securing more workers before fall is not bright. There has been no important shift of laid-off workers to gold mines.

Supplies More Difficult

Pooling the supplies, manufacture of many parts in the mines' own machine shops and ingenuity have done wonders in stretching supplies to the limit.

But reserves have been encroached upon. The general situation as regards gold mine supplies will likely become more severe.

Freezing Hits Cost-Cutting

Freezing of milling rates has not affected most gold mines because they haven't had enough labor to keep mills running at even their June, 1942, capacities. But freezing has denied to all gold mines the right to solve the problem of lower grade ores by raising mill capacity, offsetting lower average recovery by lower average costs. More than one gold mine today is "high grading" its ore resources.

Taxes on Gold Mines Different

The effect of corporation and excess profit taxes on gold mining earnings is serious. If ore is milled at no profit due to high taxes, there will never be another chance to make a profit on it.

What is said of corporation and excess profits holds for the personal income tax levy. If net revenue to the shareholder is small now there will be no chance to recoup the situation later if ore resources are exhausted.

Still Future Ahead

Many gold mines may remain open for duration in spite of the forecast of Metals Controller George C. Bateman that all will be closed if the war lasts two years. But some managements may do the best thing by deciding to close the mill, especially if remaining open means drawing ore to the detriment of development and the position of the mine as a whole. At MacLeod-Cockshutt it has been advised that development should be continued even if that means the closing of the mill due to a labor shortage. The real test of the individual mine will be whether or not it possesses the ore to warrant re-opening. Closing needn't be fatal.

With many towns completely dependent on gold mining, it may be desirable to continue operations at certain mines even after the break-even point has been reached. Some mines might find it still better business to close the mill and concentrate on development rather than to deplete reserves. But some modification of government regulations might be necessary to allow this. Continuing development would allow the nucleus of a staff to be kept together—an important point in swift re-establishment after the war.

How Can We Speed Up Our New Mine Search?

Herewith The Financial Post publishes two further answers to last week's "In Your Opinion" query on: What steps would you suggest to secure a new crop of mining prospects now, for postwar maintenance of this industry? These answers were received too late for inclusion with those which appeared on page 20 of our May 1 issue.

A. H. PARADIS
Mining Company Director

The Federal and provincial governments should tell the public more freely that we have possibly the making of the largest mining field here. They should broadcast and distribute all available geological information covering our Pre-Cambrian shield.

The provincial governments should encourage and help when necessary experienced and reliable prospectors by grubstaking them and helping with preliminary development as far as diamond drilling if and when surface indications are sufficient to warrant it.

Such a program should be effective at once to help in our war effort and our postwar rehabilitation. Mining is one of the most important resources of the country.

• • •

J. BRADLEY STREIT
General Manager, Haras Corp.

Remove all wartime restrictions that have been imposed upon gold mining companies and prospectors.

Allow individuals or syndicates to write off not 40% but 100% on all funds advanced to prospectors up to $5,000.

This would no doubt uncover more promising prospects. But the way to get the needed positive results, so work could be started immediately the war ceased, would be an allowance to all mining companies of a write-off of 2,500 ft. of diamond drilling on each of the many new prospects turned up since restrictions were put on by the Metals Controller and which have had to be shelved with present regulations.

This work could be done with about 50 drill crews and would not use over 350 men. In this way, you would have the fastest and most positive way to develop gold prospects. This work should be done now as after the war is over there will be a great army of unemployed.

THINK

Every last dollar we save now and invest in Victory Bonds will help to make Canada a better home for our fighting men to return to; and make that return home come more quickly.

BUSINESS INTERNATIONAL MACHINES

The EXCELSIOR LIFE
A STRONG CANADIAN COMPANY « » ESTABLISHED 1889
YOU CAN HELP YOUR STAFF BUY THESE POLICIES THROUGH THE PAYROLL DEDUCTION PLAN

The Week in Oils

From Our Own Correspondent

CALGARY.—The six months' slump in drilling and production activities in the Vermilion oilfield on the central Alberta plains is ending. Within the next two or three weeks the field will again be back on large-scale operation.

The past week saw commencement of the initial 1943 drilling in the field, with resumption of operations at the Midfield No. 5 well, and the staking of locations for the first five C.N.R. wells, together with locations for three new independent wells.

The week also brought the long-awaited increase in "clean oil" price, the delay in which had resulted in a six-months' severe curtailment in production operations.

• • •

Vermilion Developments

Here are the details of the new developments at Vermilion:

Cannar Oils, new oil development subsidiary of the C.N.R., this week obtained drilling permits for its initial five wells, all to be drilled in the area immediately northwest of the Vermilion 2 discovery well. The five sites are L.S.D.'s 1 and 2 of section 30-50-5w4.

The Cannar wells are to be drilled under contract by the Can-Tex Drilling Co. and the K. & K. Drilling Co. Completion and testing operations will be carried out by General Petroleums Ltd.

Cannar Oils has been busy the past several weeks, moving in oil-well casing, tubing, rods, drilling equipment and other equipment required for its large-scale program at Vermilion.

• • •

Raise Oil Price

Meanwhile the Dominion Oil Controller last week authorized an increase in the Vermilion refinery price of "clean oil," boosting the barrel from $1.15 to $1.25. The boost removes the many months' old stumbling block that has restricted production operations in the field and has halted deliveries of conditioned oil to the Canadian National Railway. The conditioning plant of Vermilion Consolidated Oils at Borrodaile was shut down several months ago because the operator found that the difference between the well-head crude oil price of 90 cents and the price paid by the railway for "clean oil" ($1.15) was about 10 cents per barrel under the cost of transporting and conditioning.

• • •

Remodel Refinery

The conditioning plant is now being remodelled and is expected to resume oil treatments and deliveries of conditioned oil to the C.N.R. within the next two weeks. There is an estimated 20,000 bbls. of oil now in storage in tanks and open pits in the Vermilion field and the majority of wells capable of production have been and are still shut down for lack of storage.

The price revision and the reopening of the plant should soon remedy this situation. There are 17 wells in the Vermilion field which have and are capable of producing crude oil. In addition there are four or five wells which completed drilling late in 1942 but have not yet been opened up for production test because of the unsatisfactory marketing situation.

• • •

Look at Southern Area

The Dominion Oil Co., new Standard of California subsidiary which has taken over the western Canadian oil search from Standard of British Columbia, has acquired a total of some 900,000 acres of crown and C.P.R. petroleum rights in an area extending from the international border northward to the Old Man River between Lethbridge and Taber.

Surface geological work has already been started in the area and geophysical work is expected to start shortly. Plans also call for some shallow core-hole drilling and seismic survey work.

This southern Alberta program is the first survey announced by Dominion Oil. It is expected, however, that it will not be the only one this year. In addition to interest in other Alberta areas Dominion Oil is known to have extensive holdings in Saskatchewan.

Bralorne Head Optimistic

Affirms Confidence in Future of Both Bralorne Mine and Gold

From Our Own Correspondent

VANCOUVER.—President Austin C. Taylor of Bralorne Mines, British Columbia's premier gold producer, told the annual meeting of shareholders here that he was confident of two things—the future of the mine and the future of gold.

Mr. Taylor said he based his hopes for the mine on the encouraging reports presented by Consulting Engineer Ira B. Joralemon, Manager Don Matheson and others; for gold on the impressions he gained while attending a recent meeting of the Bank of Canada, of which he is a director.

See Dividends Continuing

Mr. Taylor informed the meeting that directors expect the Bralorne mine to continue operating at a rate sufficient to maintain present dividend requirements.

Asked whether Bralorne could be rated as a deep gold mining proposition, Mr. Taylor pointed out that the mine had already been developed to the 20th level or 2,600 ft., although at present no work is being done below the 17th level.

So far as values are concerned, the 6th level has been the best. Others may look as good, but it will take time to prove them. Mr. Joralemon believes that the 16th may prove one of the richest in the mine.

Shareholders were told that Bralorne is going ahead with the development of two new mercury properties, one of which is regarded as very promising, but at the request of the government details regarding location and possible tonnage were withheld.

Industry is helping win the war...
industry must help build a peacetime world

Today, all industries must produce as never before—must speed the output of food, tanks, planes, guns, ships and other instruments of war—must conserve vital supplies—that we may win quickly a decisive victory.

Tomorrow, all industries must continue to produce—beating swords into plowshares—to prevent world-wide unemployment leading to ultimate economic collapse.

If the world is to prosper, there must be the same cohesion among the United Nations during the transition period and thereafter as now exists during the world-wide conflict. Internal stability here and in other nations can be gained and maintained only by sustained industrial production and by interdependence.

The people of this country, in common with the people of other lands, will prosper materially and spiritually when this war is ended but only if plans world-wide in scope are formulated promptly for A JUST AND DURABLE PEACE.

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED
25 King Street West, Toronto.

Confederation Life Stock Changes Listed

Association Takes Advantage of Improved Markets to Weed Out Weaker Holdings, Latest Portfolio Shows

Changes made in the portfolio of stocks and corporation bonds by the Confederation Life Association in 1942 were apparently directed mainly toward eliminating weak and speculative securities. Taking advantage of improved market conditions, a number of real estate bonds and stocks were sold.

Stocks and bonds of pulp and paper companies, milling and a few public utilities were sold, selecting the weaker issues.

Among purchases the Confederation Life bought substantial amounts of certain public utility bonds, both in Canada and the United States. List of stocks purchased during the year was widely diversified, including food and tobacco companies, chemicals, and industrials, both Canadian and U. S.

Taken together, common and preferred stocks made up about 7.8% of the association's total portfolio at Dec. 31, last. Total stated market value of security holdings was $104.6 millions while stocks amounted to $8.2 millions. At the end of 1941, out of total market value for the portfolio of $96.1 millions, $8.9 millions, or 9.2%, was common and preferred stocks.

Changes made in holdings of corporation bonds and common and preferred stocks, as judged by comparison of year-end portfolios, are summarized as follows:

Additions	Deletions
CANADIAN PUBLIC UTILITY BONDS	
*B. C. Power	Montreal Trams
*Calgary Power	North. Telephone
*Gatineau Power	†N. S. Light
*Maclaren-Quebec	†Ottawa Valley
*Quebec Power	Winnipeg Elec.
*Saguenay Power	
U. S. PUBLIC UTILITY BONDS	
*Appalachian Pwr.	Columbia Gas & E.
Dallas Pwr. & Lt.	†Consumers Pwr.
South. Cal. Edison	Lexington Water
Virginia El. & Pr.	†North Amer. Co.
	†Texas Electric
CANDN. INDUSTRIAL & MISC. BONDS	
*B. A. Oil	†Abitibi Power
	†Burns & Co.
	Canada Steamship
	†Donnacona
	Maple Leaf Mill.
	†Reliance Grain
	†Western Grain
U. S. INDUSTRIAL BONDS	
American Tobacco	Atlantic Refining
National Dairy	
Philip Morris	
Simmons Co.	
*Texas Corp.	
CANADIAN REALTY BONDS	
	Ancroft Place
	King Ed. Hotel
	Mayor Building
	†Montreal Apts.
	†Peel St. Realties
	†St. Cath.-Stanley
U. S. REALTY BONDS	
	Graybar Bldg.
CANADIAN & U. S. STOCKS	
Preferred	
*Moore Corp.	Burns & Co.
*Tuckett Tobacco	Canada Steamship
Atlantic City El.	Maple Leaf Mill.
*Amer. Cyanamid	Price Bros.
*Amer. Tobacco	Amer. Gas & El.
*Carnation Co.	†New England Pwr.
*Montgomery Ward	Public Serv. N.J.
*National Lead	Hershey Chocolate
*Otis Elevator	†Inter Milling
Common	
*Can. Westinghse.	Atlantic Utilities
*Consol. Smelters	Asbestos Corp.
*National Brewer.	Canada Steamship
*Bank of Toronto	Consol. Paper
*E. I. du Pont	Donnacona Paper
*General Electric	Lake St. John P.
*Inter. Bus. Mach.	Price Bros. & Co.
Johns Manville	Sincennes-McN.
*Monsanto Chem.	Brown Co.
	M. & O. Paper
	Richfield Oil
	Savoy Plaza

*Indicates additions to previous holdings.
†Indicates holdings reduced but securities not eliminated from portfolio.

HEADS FIRM

E. G. Smith, Montreal, for the past year executive vice-president of Fleet Aircraft, has been elected president.

New Wartime Regulations

Post Summary of Latest Ottawa Rulings

AGAR AGAR. M. & S. order C.C-19, March 26, forbids transaction in agar agar except under written permit of the controller of chemicals. Con. of Chemicals, E. T. Sterne.

• • •

CHLORINATED SOLVENTS. M. & S. order C.C. 18, March 26, states that no person may deal in chlorinated solvents except in accordance with written instructions issued by the controller of chemicals. Con. of Chemicals, E. T. Sterne.

• • •

MAGNESIUM. M. & S. order M.C. 49, March 30, brings magnesium under Federal control. Metals Con., G. C. Bateman.

• • •

CHLORIDE OF LIME. M. & S. order C.C.-20, March 31, states that "no manufacturer of chloride of lime shall dispose of his product except in accordance of written instructions by the controller of chemicals. Con. of Chemicals, E. T. Sterne.

• • •

SALICYLATES. M. & S. order C. C. 17, March 31, requires that no importer shall dispose of salicylates, acetylsalicylic acid, salicylic acid, etc., except under instructions of the controller of chemicals. Con. of Chemicals, E. T. Sterne.

• • •

BUILDERS' HARDWARE. W.P. T.B. order A-675, April 5, schedules the types of builders' finishing hardware, cabinet locks and padlocks which may be manufactured. Adm. of Fabricated Steel, H. H. Foreman.

• • •

SAFES. WPTB order A-702, April 21, deals with the transfer of control of manufacture of safes and similar fire and burglar resistant devices from the Munitions and Supply Department to the WPTB. Adm. of Office Machinery, Equipment and Supplies, F. S. Kaszas.

• • •

REGISTERS, GRILLES. WPTB order A1706, April 26, sets restrictions on materials to be used in the manufacture of registers and grilles for warm air heating systems. Adm. of Heating, Plumbing and Ventilating Equipment and Supplies, E. J. Laidlaw.

• • •

MAHOGANY, TEAK and BALSA. M. & S. order Timber 19. April 22. Permit is required for use, processing or disposal of mahogany, teak or balsa wood. Timber Con., A. H. Williamson.

• • •

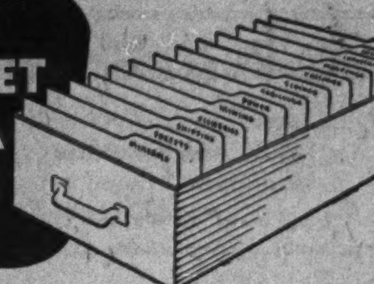
GIFT WRAPPING PAPER. WPTB order 703, April 22, expands previous order A-481 making certain further restrictions and rulings in the manufacture of gift wrapping paper. Adm. of Packages and Converted Paper Products, C. V. Hodder.

• • •

WHOLESALE BEEF PRICES. WPTB order A-707, April 26, sets maximum wholesale prices of beef. Foods Adm. K. W. Taylor.

• • •

TYPEWRITERS. WPTB order A-704, April 26, respecting typewriters, revokes and consolidates order A-194, A-379, A-496 and A-534. A new ruling is that machines may be sold without permit to the armed forces of Canada, or of any allied nation, but now only for use in Canada. Government offices require a permit for purchase. Adm. of Office Machinery, Equipment and Supplies, F. S. Kaszas.



What information about Canada do you need? Are you interested in raw materials . . . skilled or unskilled labour . . . plant sites . . . power? Are your needs immediate . . . or for the future?

Available to you is all the information we have accumulated; our facilities for research and study are at your disposal — without charge. Your enquiry will receive our prompt and confidential attention.

DEPARTMENT OF INDUSTRIAL DEVELOPMENT

MONTREAL TORONTO WINNIPEG CALGARY VANCOUVER

G. G. OMMANNEY, Development Commissioner, Montreal
F. W. COLLINS, Industrial Commissioner, Montreal

Canadian Pacific
WORLD'S GREATEST TRAVEL SYSTEM

PHOTOSTAT PRINTS
Enlarged from 16. or 35. MM.
MICRO-FILM
COMMERCIAL PHOTOPRINTS LTD.
24 Adelaide St. W., AD. 3441

The ADMIRAL BEATTY
Modern, Fireproof. 250 rooms. Rates from $2.20 Single, $3.85 Double.
SAINT JOHN, N. B.

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $62,000,000.

Manning Buys N.B. Power Co.

Secures Control from Federal Light & Traction

From Our Own Correspondent

MONTREAL. — Control of New Brunswick Power Co., Saint John, has been purchased by F. C. Manning, of Halifax, at a price reported to be in the neighborhood of $3 millions.

Purchase of controlling interest in the power company means that Mr. Manning now has control of its entire operation, including the generating and distributing electricity system, A year ago he bought the tram system.

Control was purchased from the Federal Light & Traction Co., New York, which has been interested in the Saint John utility for many years.

Few Changes Involved

The name of the company will not be changed. C. H. Nichols, president of Federal Light & Traction, has resigned as president of the New Brunswick Power Co and is succeeded in that office by Mr. Manning.

W. P. Southard will continue in office as first vice-president and general manager, with Fred M. Sutherland as second vice-president and John A. Olive as secretary-treasurer. Mr. Sutherland is associated with Mr. Manning and enters the firm for the first time.

In addition to Messrs. Manning, Southard and Sutherland, the directors will include James B. Dever, W. E. Golding, J. G. Harrison, James A. MacMurray and Dr. A. P. Paterson. The latter have been directors of the power company for many years.

Ontario Hydro Load Increased

More Than Half March Primary Gain Comes in Niagara System

Figures on primary power load for the various systems operated by Hydro-Electric Power Commission of Ontario continue to show gains over the corresponding month a year ago. In March, primary power load in the Niagara System, serving the largest and most highly industrialized section of the province, shows a gain of 2.9% in peak demand. Eastern Ontario, Georgian Bay and northern Ontario all showed larger gains than did Niagara with the Thunder Bay System showing a fractional decline.

Taken together, Ontario Hydro required 83,000 more h.p. to meet its March peak load for primary power than it did a year ago, a gain of 3.8%. Combined primary and secondary power demand rose about 40,000 h.p., or 1.7% over March, 1942.

Maximum 20-Min. Peak H.P.

	March 1943	March 1942	Incr. %
Primary Loads:			
Niagara System ..	1,698,525	1,649,886	2.9
Eastern Ontario .	190,352	172,692	10.2
Georgian Bay ...	48,541	43,818	10.8
Thunder Bay ...	100,496	100,958	—0.5
Northern Ontario.	213,032	200,498	6.3
Total all systems	2,250,946	2,167,832	3.8
Primary and Secondary Loads:			
Niagara System .	1,758,713	1,704,960	3.2
Eastern Ontario .	190,352	175,011	8.8
Georgian Bay ...	48,541	44,857	8.2
Thunder Bay ..,	125,322	136,193	—8.0
Northern Ontario.	237,831	260,283	—8.6
Total all systems	2,360,759	2,321,304	1.7

We Manufacture
Envelopes
for every purpose
Barber-Ellis
of Canada Limited
TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

ACCOUNTANCY
AND ALLIED SUBJECTS

The Shaw Higher Accounting Courses by Mail prepare for all accounting positions. Choose the Shaw Course. 40 years of success. 500 expert accountants for reference. The broader your knowledge the better qualified you are for advancement when the opening occurs. Course is planned in 3 sections—we can catch step with you at any stage and guide you to the top. Allied subjects include: Cost Accounting, Auditing, Corporation Finance, Practical Banking, Business Administration, Secretarial Practice, Economics, Commercial Law, etc. RC-70

Write for Catalogue. Shaw Schools, Dept. Bay and Charles Sts. Toronto, Ont.

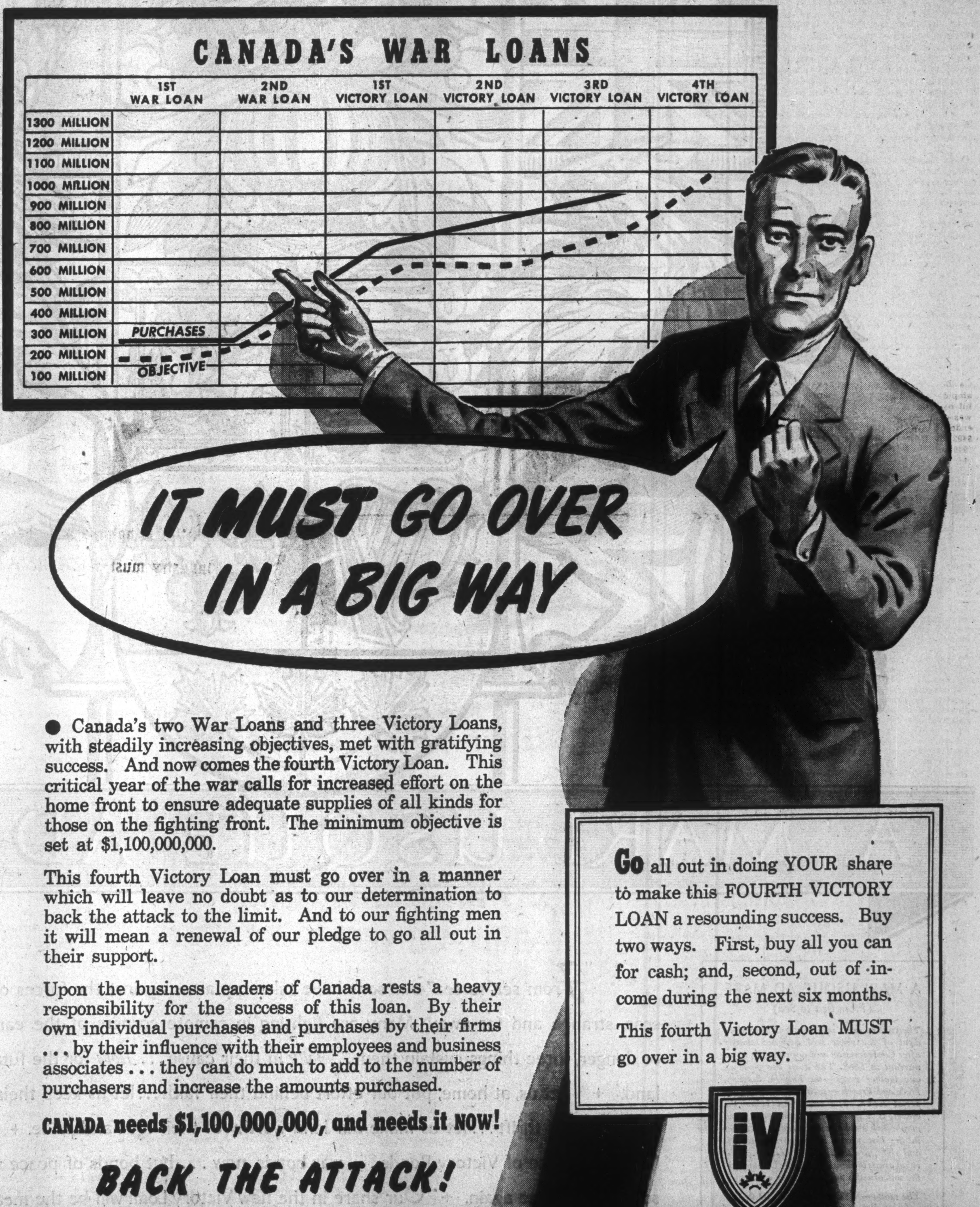
CARRY MONEY SAFELY
WHEN YOU TRAVEL
Canadian Pacific Express
TRAVELLERS CHEQUES

Dominion Appraisal Company Limited

The Authority on Physical Values in Canada from Coast to Coast.

Equipped to carry out work of any magnitude within a reasonable space of time.

Head Office
137 Wellington St. West
TORONTO Elgin 5928
MONTREAL
University Tower Building.



● Canada's two War Loans and three Victory Loans, with steadily increasing objectives, met with gratifying success. And now comes the fourth Victory Loan. This critical year of the war calls for increased effort on the home front to ensure adequate supplies of all kinds for those on the fighting front. The minimum objective is set at $1,100,000,000.

This fourth Victory Loan must go over in a manner which will leave no doubt as to our determination to back the attack to the limit. And to our fighting men it will mean a renewal of our pledge to go all out in their support.

Upon the business leaders of Canada rests a heavy responsibility for the success of this loan. By their own individual purchases and purchases by their firms . . . by their influence with their employees and business associates . . . they can do much to add to the number of purchasers and increase the amounts purchased.

CANADA needs $1,100,000,000, and needs it NOW!

BACK THE ATTACK!

Go all out in doing YOUR share to make this FOURTH VICTORY LOAN a resounding success. Buy two ways. First, buy all you can for cash; and, second, out of income during the next six months. This fourth Victory Loan MUST go over in a big way.

BUY MORE VICTORY BONDS

NATIONAL WAR FINANCE COMMITTEE 76-4

A MARI USQUE AD MARE

A MARI USQUE AD MARE

(From Sea to Sea)

The coat of arms of Canada is a development of the great seal designed shortly after Confederation and approved by royal warrant in 1868. The arms are those of our mother races—the English, Scottish, Irish and French—surmounted by the imperial crown. The crest, just below the crown, is a lion holding in its paw a red maple leaf, symbolic of Canada's sacrifices in the last war. The supporters, to left and right, are the lion and unicorn of the royal arms; the lion upholds the Union Jack, the unicorn the ancient banner of France.

The motto—A MARI USQUE AD MARE—is an extract from the Latin version of the eighth verse of the 72nd psalm—"He shall have dominion also from sea to sea and from the river unto the ends of the earth."

GM-443

"From sea to sea" our sons have taken up arms against the forces of evil. Many, by now, have crossed other seas, strange and far away. Many are fighting in remote corners of the earth. And in the long hours of loneliness or danger, three things sustain them... *Faith* in their cause... *Hope* for the future... *Love* of their land. ✦ Let us, at home, put our effort behind their faith... let us keep their hope burning with our work and thrift... let us make our land worthy of their love and pride. ✦ Let us stand united in the purchase of Victory Bonds... war bonds, now... but bonds of peace when our victorious sons come home again. ✦ Our share in the new Victory Loan will be the measure of our loyalty, not only to our country, but to those countrymen of ours who, day in and day out, are at grips with the foe. Canada calls on us to back their attack by purchasing Victory Bonds to the limit!

GM
GENERAL MOTORS
CHEVROLET • PONTIAC
OLDSMOBILE
McLAUGHLIN-BUICK
CADILLAC • CHEVROLET
AND GMC TRUCKS

GENERAL MOTORS OF CANADA, LIMITED